

## ILLINOIS

Elizabeth B. Wetmore, Eola.  
 Carl H. Holtz, Hollywood.  
 Mille Flickinger, Lanark.  
 William J. Ohlhaber, Schiller Park.

## IOWA

Ellsworth Fry, Dunkerton.  
 Abner Reynolds, Ellsworth.  
 Wayland R. Christiansen, Northwood.

## KENTUCKY

Charles E. Balee, Trenton.

## MISSISSIPPI

William A. Bell, Morton.

## NEW JERSEY

William L. Scheuerman, Basking Ridge.  
 George Martin, Stoneharbor.

## PENNSYLVANIA

William S. Levan, Esterly.

## WASHINGTON

M. Berta Start, Winslow.

## SENATE

WEDNESDAY, November 13, 1929

(Legislative day of Wednesday, October 30, 1929)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Kendrick	Sheppard
Barkley	Frazier	Keyes	Shortridge
Bingham	Gillett	La Follette	Simmons
Black	Glass	McKellar	Smoot
Blaine	Glenn	McMaster	Steiwer
Blease	Goff	McNary	Stephens
Borah	Goldsborough	Metcalf	Thomas, Idaho
Bratton	Gould	Moses	Thomas, Okla.
Brock	Greene	Norbeck	Townsend
Brookhart	Hale	Norris	Trammell
Broussard	Harris	Nye	Tydings
Capper	Harrison	Overman	Vandenberg
Connally	Hatfield	Patterson	Wagner
Copeland	Hawes	Phipps	Walcott
Couzens	Hayden	Pine	Walsh, Mass.
Cutting	Hebert	Pittman	Walsh, Mont.
Dale	Heflin	Ransdell	Waterman
Deneen	Howell	Reed	Wheeler
Dill	Johnson	Robinson, Ind.	
Edge	Jones	Sackett	
Fess	Kean	Schall	

Mr. TOWNSEND. I desire to announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I wish to announce that the junior Senator from Arkansas [Mr. CARAWAY] is necessarily detained on business of the Senate.

Mr. SCHALL. I wish the RECORD to show that my colleague [Mr. SHIPSTEAD] is absent, ill.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

## PETITIONS

Mr. SHORTRIDGE presented petitions numerously signed by sundry citizens of the State of California, praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

Mr. GOLDSBOROUGH presented a petition of sundry citizens of the State of Maryland, praying for the passage of the so-called Smoot bill, being the bill (S. 1468) to amend the food and drugs act of June 30, 1906, by extending its provisions to tobacco and tobacco products, which was referred to the Committee on Agriculture and Forestry.

Mr. JOHNSON presented petitions signed by approximately 350 citizens, loggers and lumbermen, in the State of California, praying for the imposition of adequate tariff duties upon the importation of shingles, logs, and lumber into the United States, which were ordered to lie on the table.

Mr. McNARY presented petitions signed by approximately 2,500 citizens, loggers, and lumbermen, in the State of Oregon, praying for the imposition of adequate tariff duties upon the

importation of shingles, logs, and lumber into the United States, which were ordered to lie on the table.

Mr. JONES. I present petitions estimated to be signed by over 11,000 persons interested in the matter of a tariff on logs, shingles, and lumber. I ask that the body of one of the petitions be printed in the RECORD, and that all the petitions lie on the table.

There being no objection, the petitions were ordered to lie on the table, and the body of one of the petitions, without the signatures, was ordered to be printed in the RECORD, as follows:

Whereas the Legislature of the State of Washington has heretofore petitioned the Senate and the House of Representatives of the United States, earnestly requesting that a duty be placed upon the importation of logs, shingles, and lumber into the United States, sufficient to cover differences in cost of production in the United States and in foreign countries and permit American shingle and lumber manufacturers to pay fair compensatory wages to their workmen, give them full-time employment, and perpetuate the American logging, lumber, and shingle industry and its incident and dependent operations; and

Whereas representatives of the logging, shingle, and lumber industry of the State of Washington have appeared before the honorable Finance Committee of the United States Senate showing that since the removal of the tariff on the importation of shingles and lumber into the United States the logging, shingle, and lumber industry in the States of Washington and Oregon have suffered extreme and heavy losses; and further showing that other labor, manufacturing, and incidental operations and business receive a direct benefit from said industries of more than \$100,000,000 annually; and

Whereas we, the undersigned, representing labor, home owners, and taxpayers, condemn the present tariff act as unjustly discriminating against American production of logs, shingles, and lumber in favor of foreign production of such products, and forces approximately 100,000 American workmen and their families into direct competition with oriental labor; and

Whereas it is necessary that a revision be made in tariff schedules to the end that American labor and this industry may maintain a proper standard of living and secure steady employment; and

Whereas the Republican and Democratic Parties have both pledged to maintain a high standard of wages for American labor: Now, therefore,

We, the undersigned, most seriously urge and petition that your committee support such a revision of tariff schedules as will enable the logging, shingle, and lumber industry to successfully compete with foreign producers and maintain higher wage scales than in foreign lands, and stabilize and strengthen what are known as American standards of living.

## REPORT OF THE LIBRARY COMMITTEE

Mr. FESS, from the Committee on the Library, to which was referred the bill (S. 1784) appropriating money for improvements upon the Government-owned land at Wakefield, Westmoreland County, Va., the birthplace of George Washington, reported it without amendment.

## REPORT OF POSTAL NOMINATIONS

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry post-office nominations, which were ordered to be placed on the Executive Calendar.

## REPORT OF MILITARY NOMINATIONS

Mr. REED, as in open executive session, from the Committee on Military Affairs, reported sundry Army nominations, which were ordered to be placed on the Executive Calendar.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 2091) authorizing appropriations for payment by Federal Government of its part of cost of improvements adjoining Federal building sites; to the Committee on Public Buildings and Grounds.

By Mr. MOSES:

A bill (S. 2092) granting a pension to Betsey Arnold Jaquith (with accompanying papers); to the Committee on Pensions.

## AMENDMENT TO THE TARIFF BILL

Mr. FESS submitted an amendment intended to be proposed by him to House bill 2667, the tariff revision bill, which was ordered to lie on the table and to be printed.

## THE VICE PRESIDENT'S ARMISTICE DAY ADDRESS

Mr. GOFF. Mr. President, I take great pleasure in asking unanimous consent to have printed in the RECORD the very inspiring, outstanding, and eloquent speech of the Hon. Charles Curtis, our honored Vice President, delivered in Chicago on Armistice Day under the auspices of the brotherhood of the Benevolent and Protective Order of Elks.

In the course of his remarks, Vice President Curtis brought vividly to the attention of the Nation the necessity for preparedness as well as the cost of unpreparedness. He showed most vividly and impressively that preparedness and national defense are essentially requisite if we are to protect the great resources of our country and continue its wonderful prosperity.

In a word, Mr. President, Vice President Curtis sounded the message always resident in the heart of the Nation, that we not only need an Army and Navy adequate for national defense but sufficient to guarantee and make effective our patriotic determination never again to engage in a war of aggression. Ever to be prepared only as a last and inevitable resort to defend our homes and country and perpetuate its divinely inspired institutions is the maxim of this wonderful address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Vice President Curtis spoke as follows:

We are gathered here at the invitation of a great, noble, and useful fraternal group; a long-established and valued national organization having millions of members throughout the land; fellow countrymen who hail from the East and West, North and South; from town and country; from all walks and stations of life; citizens whose aims and purposes are well summed up in a name which is a household word among us—Elks—members of the Brotherhood of the Protective Order of Elks. It is an honor to be part of this gathering in this wonderful city of Chicago; to be invited to address the Elks.

The purpose of our meeting is to commemorate a great and glorious day in the history of mankind; that day 11 short years ago which marked the end of a madness such as no man living or dead ever before had participated in or beheld; that day which witnessed the end of scenes of indescribable horror, of frightful cruelties, and barbarities practiced by man against man, by nation against nation; that day which was then and is now truly a day of gladness and rejoicing on earth, and for which as each year of peace throughout the world continues we have still more reason to feel glad and joyful.

November 11, 1918, is known and celebrated on earth as Armistice Day. No other name for it is conceivable. On that day, in the year 1918, tongues babbled joyfully, hysterically, tearfully, wildly; there was much incoherent talk in many languages on both hemispheres of this earthly globe of ours; in every continent; in nearly every country, State, city, town, village, hamlet, and field and forest; on land and sea, and above and below each. And all the incoherent words summed up were—this is Armistice Day!

In truth, November 11 is not merely a date on the calendar. It is a name, a symbol, a brilliant beacon lighting a point in the history of mankind which we may well be proud of, though as to the acts and deeds which led up to it we would undo them if we could; would erase them from the memory of the present were that possible; would keep from the knowledge of the future were there any means of doing so. Since we can not shield the world's folly from the eyes of future generations, we can reveal to them the unparalleled example of unselfish devotion to ideals; of unswerving adherence to the principles of humanity, of freedom, liberty, and justice which our own country gave to the world in the memorable struggle.

We all know of the loyalty of the Elks during the great World War; of how in every section of the country they helped the needy families of those who had gone off to the war; of their liberality in the purchase of bonds to raise the money necessary to carry on the greatest of all wars.

Here to-day, on this soldiers' field, we recall the great rejoicing this day 11 years ago. The people of the civilized world were happy at the news of the signing of the armistice. They are still happy and thankful for the cessation of war and hope that peace may continue forever.

Our people have a right to remember and to celebrate this day because of the part our country took in the war; the invaluable help it gave to make this day possible. We were able to and did raise, equip, and maintain a powerful army and navy. We placed more than 2,000,000 men in Europe and had millions more in reserve ready to go "over there." This was done at a most critical period of the conflict, at a time when our man power was desperately needed, when the soldiers of France had their backs to the wall and all the Allies were sorely pressed.

Our people never doubted the result because they knew the make-up of our Army and they had great confidence in its able leader, Gen. John J. Pershing.

To-day, and as in the wars of the past, we all acknowledge the great obligation our Nation owes to those who served it on sea and land, those who did so much to help bring about the final and lasting victory. I recall the grand review in Washington of the Grand Armies of the Republic. A banner on the Treasury Building greets the sight of the victorious Union soldiers of the Civil War as they march down Pennsylvania Avenue in impressive, heart-stirring array. That banner blazes forth the national feeling as it always has been and always will be: "There is one debt our Nation owes which it can never pay; that is the debt it owes to its soldiers and sailors." That was the feeling in 1865, 11 years ago, and to-day for the men who rendered such valuable service.

Money is needed to redeem the bonds issued during the war, to meet the expenses of the Veterans' Bureau now being incurred in taking care of the disabled and their dependents, and to aid those who were dependent upon the brave men, and women, too, who gave their lives in the great struggle. This money can, should, and will be raised and applied to these needs that we may, in part at least, repay our obligations. The debt to those who lost their lives in our own country and on foreign soil; to those who are now suffering from wounds and disease as a result of the war, and to their dependents, can not be paid in dollars. Our people will always remember their brave deeds, their great sufferings and sacrifices.

While the place of highest honor goes to those men and women who wore the uniform of our country, there was and is a great appreciation for those of our citizens who furnished money, produced food, clothing, materials, and supplies necessary in the struggle. They did their part in the great conflict which meant so much to civilization and Christianity.

The speed with which was raised the money needed to carry on the war and to lend to our Allies was a great surprise to the financiers of the world. The ease with which our Great War debt has been reduced from twenty-six and one-half billion dollars to fifteen and one-half billion dollars in 11 years speaks volumes for our people, and is equally amazing to the financiers.

The political situation during the World War closely paralleled that existing in the Civil War. History repeated itself. When President Lincoln took his oath of office there were strong men from the North in the Congress who did not belong to his political party. Out here in Illinois, his own State, there were two particularly powerful men who had opposed him; the little giant, Stephen A. Douglas, and the fearless John A. Logan.

When the war came, however, the President found Stephen A. Douglas one of his strongest supporters in the Senate, ever ready to do his part to help win the war. Gen. John A. Logan, believing he could do more at the front, left his seat in the House of Representatives, returned to his home, and helped secure volunteers. General Logan was a wonderful man and it is fitting that as a result of his work, he became known as the greatest volunteer general the world had ever known.

The loyal men in Congress forgot party lines. On matters pertaining to the war there were no party lines drawn. In the Congress in 1917 and 1918 the members of one of the greatest political parties, the one to which the President did not belong, drew no party lines. They did everything they could to help win the war. On matters pertaining to war the members of the Republican Party, as well as the Democratic Party, stood by the Government. They upheld the hand of President Wilson in all legislation necessary to carry the war to a final victory. The President, as Commander in Chief of our Army and Navy, had the full support of the loyal men and women of the country, both in and out of Congress.

When he needed war legislation it was only necessary for him to call for it and those of the minority in the Government joined the members of his party in the Congress in quick and full response. To-day if trouble came our President would find the same universal loyal support, for it can be said truthfully that in this country no political party has a monopoly on patriotism.

When I read of soldiers I wonder if many of us realize the fact that in all countries, and at all times, there live and die in obscurity, remote from the scenes of battle, yet doing their full share for the good of their country, a number of men and women equally as heroic, whose deeds remain unsung. I think, too, of the unknown dead soldiers. Their names and deeds may not be known here below, but every one is written into the great book above in large letters of gold; each man and each deed has left an indelible impression in the hearts of our people. These soldiers and citizens, known and unknown, have not died in vain. Their record justifies full faith and confidence in the wisdom of the American people and in the still more glorious future of the Nation; as long as we have a "Government of the people, for the people, and by the people," we are in no danger.

Much of the cost of the last war was caused by the fact that we were unprepared for it, and this was the second such occasion in 20 years. I hope the lesson taught by unpreparedness may not be forgotten. With our wonderful prosperity and great resources our country should always be prepared for national defense. Such a course will save many lives, millions of dollars, and untold suffering; it will greatly lessen the possibility of war.

In this country we do not believe in a large standing Army, nor do we believe in having an over-large Navy, but our people do want both Army and Navy to be ample for national defense.

The people of the United States are, and always have been, peace-loving and law-abiding as a whole. They are industrious, generous, and not quarrelsome as a nation. They concern themselves with their own affairs and do not meddle in the affairs of other nations. They are sympathetic with the woes and distress of the people of the world. They ask nothing more than to be permitted to work out their own destiny without interference, and they freely concede this same right

to others. They are proud of their country and their form of government. They have a strong national consciousness because of which, despite their innate peaceful aims and desires they will not submit to insult, abuse, or ill treatment by any other nation. Our country has never engaged in nor will it ever engage in a war of aggression, and it will engage in a war of defense only as a last and inevitable resort.

During the first three years of the World War we were neutral. We hoped and prayed that we might be permitted to remain so, but it was decreed we should be drawn into the conflict. International law was violated; fundamental rights of mankind were denied. The false doctrine of "might is right" was openly proclaimed against us; men, women, and children of our citizenry were sent to the bottom of the sea without warning. War was never forced upon a more unwilling combatant.

We entered the maelstrom early in 1917 in self-defense against an aggressive, militant country ruled by its war lords who had complete domination over a naturally peace-loving people, a people who, thanks to Almighty God, we are now friendly with and desirous of helping wherever possible. We could keep out no longer and retain our national honor. We remained in the war until the end; until that for which we strove was accomplished. Now that it is over we want no more war.

We would like to see the time come when nations will settle their disputes by other methods than war. As a Government and as a people we are doing and will continue to do everything reasonably possible to bring this about, but we have no desire to and will not be drawn into other countries' political quarrels or into entangling alliances with other nations.

Before the World War our Nation was a great world power. Now it is stronger and more powerful than ever before. It is in a position to and is using all its power and influence to prevent future wars. For this reason they have observed with the utmost satisfaction that the Kellogg pact renouncing war has been adhered to by so many nations. We hope the time has come when great Christian nations of the world will by proper agreements change the cruel custom sanctioned through the ages of engaging in war. Let them rather hold conferences and agree to settle their differences by arbitration, by reason not force.

The people were pleased to note that China and Russia, both signers of the Kellogg pact, have refrained from going to war, thereby acknowledging the agreement as binding and not merely a "scrap of paper."

The month of October, 1929, will long be remembered by the people of Washington, for they had the pleasure of seeing two peace-loving men. One was Sergeant York, of Tennessee, who, notwithstanding his conscientious objections to war and his desire for peace, yet answered his country's call and became one of the outstanding heroes of the World War. The other visitor was that able statesman and great leader, the Prime Minister of Great Britain, Mr. MacDonald, who came to see our President, Herbert Hoover, on a mission of peace and friendship. Our people are praying their efforts may result in a fair, just, and satisfactory agreement among the leading nations of the world. Both the President and Mr. MacDonald put all their cards on the table and we hope their efforts may be rewarded.

How glad we are that in none of the wars in which our Nation has engaged were we the aggressor; in none did our soldiers fight for territorial aggrandizement.

When the war of 1861 to 1865 was over the Union had been saved; the Constitution upheld; and the principles on which our Republic is founded were vindicated and sustained. When the war of 1898 ended, Cuba was free and the *Maine* had not been lost in vain. When the World War ended, the false doctrine that "might is right" had been exposed in all its iniquity and it has fallen into utter disrepute to-day.

I believe that some day there will be lasting peace, for it is written "And he shall judge many people, and rebuke strong nations afar off, and they shall beat their swords into plowshares and their spears into pruning hooks. Nation shall not lift up a sword against nation; neither shall they learn war any more." Why is not the lesson of the Great War sufficient to cause that promise to be fulfilled at this time?

Now that so many nations have signed a pact to abrogate war, our minds are naturally occupied on the problem of world peace. We readily recall the various movements which we hope and pray will help bring it about as lasting—the Locarno treaty, the Kellogg pact, the Washington conference of 1921, the evacuation of the Rhineland, the visit of Premier MacDonald, and the calling of a conference to be held in or near London in 1930. These steps all point toward permanent world peace. That it may come is the passionate and lasting desire of the people of the civilized world.

The war and its end will never be forgotten by those who served in it, nor by those who had near and dear ones in it who did not return. I shall not attempt to describe the horrors of that war, which was the greatest and most cruel ever fought. The soldiers and sailors had to contend against inventions which never before had been employed by man against man, such as poison gas, tanks, deadly airplanes and air bombs, and the death and destruction-dealing submarines.

The ending of the war meant that the roar of the cannon which had been heard for so many years was to be hushed; the danger from shell shock had passed; poisoned gas was no more to be feared, and the submarine was only to be used for experimental purposes.

Yes, as I stated in my opening, this is Armistice Day; and it is truly an occasion for celebration, for it is the day upon which the greatest of all wars ended, one which will never be forgotten by the peace-loving people of the world.

#### THE POWER TRUST IN THE PUBLIC SCHOOLS

Mr. NYE. Mr. President, I send to the desk an article entitled "The Power Trust in the Public Schools," written by the senior Senator from Nebraska [Mr. NORRIS] and appearing in the current issue of *The Nation*, which I ask unanimous consent to have printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

[From *The Nation*, September 18, 1929]

#### THE POWER TRUST IN THE PUBLIC SCHOOLS

By GEORGE W. NORRIS

The difference between barbarism and civilization is education. Tyrants can not permanently rule an educated people. Ignorance is the mother of superstition and superstition is the domain of despots. Intelligence is the foundation of democratic government.

In America we have the public-school system. It is essential to the perpetuity of our institutions. If our public schools are perverted and defiled, our governmental institutions are weakened and will eventually be destroyed. A new crop of rulers must take control every generation and a government which would prosper and a people who would retain and increase their happiness must prepare the oncoming generations for new governmental responsibilities which are continually falling upon their shoulders.

We are living in the dawn of an electric age. Nature has not only supplied us with electricity, this necessity of human happiness, but she has likewise furnished the means by which it can be made. Every drop of flowing water, coming from the snows, the springs, and the rain, as it travels its downward course, possesses the power of converting, out of nothing as it were, this wonderful element of modern civilization. This is a property which belongs to all of us, a source of human happiness. It has become a necessity of modern life. Therefore it should never become the subject of private profiteering. Its utilization in the homes of America and in the factories of commerce, for practical purposes, depends to a very great extent upon the elimination of private profit from its generation and distribution. Like water, it should be supplied to our people at actual cost.

For several years a contest has been going on between those who believe this work should be done as a governmental function and those who believe that the right to use our public streams for this purpose should be turned over to private corporations for private profit. It was supposed for some time that this was a fair and open contest between the believers in two separate and distinct doctrines of government. If this were true, then the contest would be just. Intelligent, educated people would decide the question the same as they would decide any other governmental question, after full debate and fair consideration.

In the course of the debate in the Senate on the Muscle Shoals question, it was frequently alleged that there was a Power Trust in this country; that it was nation-wide in its control. Indeed, it was charged that this trust reached out into foreign countries, and was, in fact, international in its operations. These charges were scoffed at. They were ridiculed. The men making them were denounced as enemies to human progress.

As a result of this discussion, the Federal Trade Commission was directed to make an investigation. And what has been the result? It has been ascertained that there exists in this country a combination, the most powerful that has ever been put together by human ingenuity. These power magnate have divided the country into districts and put a ruler of their own in each district. These managers are assisted by assistant managers, by division superintendents, and by almost an unlimited number of specialists, lawyers, and hired men and women in all walks of life. It has been shown that millions of dollars have been spent to keep this machinery in operation. It has been shown that \$400,000 was raised by this trust to control the action of the Federal Congress. In the main, this particular attempt was to defeat the Muscle Shoals bill, the Boulder Dam bill, and the Senate resolution directing an investigation of the subject. Untold sums have been spent to control the press, usually by methods which were indirect, but unfair and disgraceful, nevertheless. Armies of emissaries secretly representing this trust have gone into every community. They have undertaken to control legislatures, public-service commissions, members of the National Congress, public educators, school boards, municipal authorities, commercial clubs, secret societies, women's clubs, Boy Scout organizations. They have not forgotten the preacher in the pulpit. They have sent lecturers, ostensibly traveling upon the business of State universities, to lecture to farmers' clubs and social organizations. They have sent women into the field to speak at women's teas and various similar organizations. They have organized committees of inspection to examine the textbooks used in the public schools. They have issued thousands of pamphlets to be used in the classroom. They have entered the uni-

versities of the country and subsidized professors and leaders in educational lines.

The trust has done all this secretly. No one would have any right to object and no one would object if these private corporations would advocate openly their viewpoint and their method of supplying electricity to the people. No one would find fault if this discussion and these influences were operating in public. But these emissaries were not known by the people who heard them or the people to be influenced by them to be in the pay of this monopoly. The propaganda which was fed to the press was, in the main, published as editorial or news matter and the readers had no knowledge that this material was supplied from some central headquarters of the trust. In order to conceal their activities from public view it was necessary that they sail under false colors. We ought to ask at this point where they secured the money with which to carry on this warfare. Where did they get the funds which they used so lavishly to fool the people? It must be remembered that the Power Trust has only one source of revenue, and that is the money contributed by the people who buy their product. They were using our money to deceive us and our children.

The evidence before the Federal Trade Commission discloses the sending of a catechism into the public schools of some of our States. In this catechism are questions and answers which it was intended the children should memorize. The answer to one of these questions reads as follows:

"In every case in which a community has attempted to operate a public-service utility which is subject to great change and development it has been found that the costs of the service are higher than when the service is furnished by a private corporation."

This statement is not only misleading but it is absolutely false. It undertakes to put into the minds of our children a falsehood, and it does this under the guise of education.

Another answer to one of the questions in this catechism stated in effect that statistics have proved that the cost of living in cities operating their own utilities is much higher than where the service is intrusted to private enterprise.

It is shown in this same catechism that the power magnates were trying to prevent criticism of their own activities. They were trying to instill in the minds of the children the idea that such criticism was unpatriotic and should never be indulged in by good citizens. For example:

"Q. What is the effect of adverse criticism upon utility service?—  
A. When people in any community criticize adversely public utilities in their city they are advertising their own city to outsiders as a poor place in which to live and are thereby retarding its growth."

Down in Alabama a college professor was hired by the power companies to carry on their work. He traveled over the State, talking to church gatherings, farmers' organizations, Rotary clubs, Kiwanis clubs, etc., and somewhere in every speech he made he had carefully tucked away misleading statements praising the private power interests and condemning municipally owned electric-light plants. He was introduced as a director of extension of the university, a man interested in the industrial development of the State, but it now develops from the investigation that he was paid regularly by the Power Trust over \$600 a month.

One of the representatives of the trust, in writing to a trust representative in a different State, after describing how he had succeeded in outlining the public-utility courses in two universities, wound up by saying:

"We laid the groundwork circumspectly and with great care, so that the actual suggestion that such courses be started came from the faculties of the institutions themselves. The rest was routine."

The evidence shows that in some States the trust was successful in bringing about a complete revision of the textbooks of the public schools of the State. The methods pursued depended upon the condition that had to be overcome. In one State where the power companies were undertaking to have the textbooks of the schools edited so as to give their viewpoint to the student one of the letters on the subject contained the following language:

"Of course, all of the business must needs be transacted with exceeding tact and diplomacy. Local conditions and prejudices will have to be taken into account when the educators are approached. Also it may be well to note what appropriation the school superintendent may have at his disposal for the purchase of textbooks. It may well be that avenues of proper assistance in a small way will present themselves. It may be well worth a utility's while to help in that regard. Such aid, unfortunately, is subject to misinterpretation and would therefore have to be rendered in a manner well safeguarded from suspicion."

I am not undertaking to give a complete résumé of the evidence. To do that would fill volumes. I am only trying to give a few illustrations of what is going on in free America. All of it has been done in the name of private ownership of public utilities. Has not the time come when those who love our public schools, who want to guard them with honesty and to preserve them in purity, should raise their voices in condemnation of this unrighteous and unpatriotic attempt to utilize the public-school system to control public sentiment for private gain?

#### REVISION OF THE TARIFF

Mr. TYDINGS. Mr. President, I ask unanimous consent that a number of newspaper editorials which I hold in my hand be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of October 29, 1929]

#### WHERE RESPONSIBILITY IS

The administration tariff program is close to collapse. Senator REED, of Pennsylvania, thinks it actually has collapsed. As one of the principal backers of the program, he is in a good position to know. Furthermore, his opinion is supported by many competent observers who have been watching the Senate tariff fight from the side lines.

No ex cathedra utterance is needed, however, to support the proposition that the administration tariff program is in very sorry shape. A glance at the calendar proves that. There is not much more than a month left for the special session of Congress. There are still 14 tariff schedules to be debated and voted upon by the Senate. One—chemicals—is nearly disposed of. It has taken over a week already. While it is one of the most important, it lends itself to debate far less than many others for the simple reason that it is so full of mysteries.

Of the schedules still remaining to be disposed of there are many to produce far more extended debate than the chemical schedule. The one bearing on metals and metal manufactures, reflecting Mr. Eyanson's handiwork at many points, could legitimately occupy the Senate for another month. But if the Senate is to complete the bill at the special session it must devote only a couple of days to each schedule. This would be reckless speed in view of the great tariff departures involved, and there is no reason to believe that the Democratic-Insurgent Republican coalition will allow the Senate to indulge in it.

If the bill goes over into the regular session, it will tie things up generally and become a burden upon the G. O. P., which there is slight reason to believe the administration would be willing to shoulder, particularly since each day of delay would bring its unsavory tariff program nearer to the congressional elections. Consequently, it takes no political genius to see that the Smoot-Hawley tariff bill is in a very bad way.

There is apt, however, to be less understanding of the reasons why it has come to this pass. To find them it is necessary to leave the Capitol and walk up Pennsylvania Avenue to the White House. There by studying the course followed by Herbert Hoover since the tariff bill was launched can be found the reasons for the present plight of the tariff bill.

When President Hoover called the special session of Congress he advanced the idea that the primary purpose was to provide farm relief. Dubious as it was, is, and will be for some time to come, he advanced the proposition that one road to farm relief is increased tariffs for agricultural products. Then what did he do? He stepped aside, let the Grundys and the Eyansons run amuck and convert what he had led the public to suppose was a farm relief tariff bill into a field day for already fabulously rich industrial interests. Without a peep he let the House pass a measure packed with indefensible increases in industrial tariffs.

In the Senate the bill has struck a snag. A combination of Democrats and Republican insurgents is attacking it and lowering some of the rates. To date this coalition has engaged in no obstructive tactics. The only obstruction in the Senate is recognition of the fact that the bill is offensive to common decency and like any malodorous object invites attention. The snag the bill has hit was placed there by Herbert Hoover when he lacked either the courage or foresight to check the House of Representatives in an industrial tariff-boosting orgy, as he could readily have done, and later failed to check his party in the Senate.

[From the Louisville Courier-Journal of November 4, 1929]

#### ONE ON THE PRESIDENT

The Courier-Journal pronounced "amusing" the President's argument in his recent address to the Senate for the retention of his power to legislate under the flexible-tariff provision. It has struck several Members of the Senate in the same way. Here is the argument as presented by Mr. Hoover:

"The President has declined to interfere or to express any opinion on the details of the rates or any compromise thereof, as it is obvious that, if for no other reason, he could not pretend to have the necessary information in respect to many thousands of different commodities which such determination requires, but he pointed out that the wide differences of opinion and the length of the discussions in the Senate were themselves ample demonstrations of the desirability of a real flexible clause in order that injustice in rates could be promptly corrected by scientific and impartial investigation and put in action without such delays as the present discussions give proof."

That was in an appeal to the Senate to hurry up and pass the tariff bill before the expiration of the extra session. It seems to have been based on an assumption that the Senators would not require anything

like the time to inform themselves on the "many thousands of different commodities" that would be required by the President, even with the help of a Tariff Commission.

But recalling the history of the Tariff Commission, what is there in it to indicate that it would enable the President to change duties with expedition? Senator BORAH drove this point home when he said: "As slow as we are, we are making progress faster than they did under the flexible provision. To my own knowledge it took the Tariff Commission three years to consider one item, to wit, onions."

[From the Baltimore Sun of November 8, 1929]

#### EFFICIENCY THREATENED

Although it is doubtless a relief to most of us to learn that the failure of the White House to invite Senator HIRAM JOHNSON to a dinner along with the rest of the Foreign Relations Committee was an error and not the result of rancor in the Executive soul, the true friend of good government must be alarmed at the indication of a lamentable want of efficiency in the White House staff. Here is Mr. Hoover, with three secretaries to Mr. Coolidge's two and Woodrow Wilson's one, and yet the simple matter of inviting HIRAM JOHNSON to dine was neglected long enough to give the California Senator the idea that he had been intentionally snubbed.

One of the blessings which the country understood it was to receive when it elected Mr. Hoover was efficiency. He was credited with having reduced the number of stove-lid sizes and circumscribed the variety of wicker baskets. Doubtless because of his reputation for efficiency the appropriations for the White House have been advanced from \$438,460 in 1928 to \$497,996 in 1929 (including the purchase of Mount Weather, the American Chequers), and to \$533,120 for 1930 (including the Metropolitan police). Are we to conclude that a White House staff, three secretaries, and the Metropolitan police have been so poorly organized that there was no one designated to remember Senator HIRAM JOHNSON'S telephone number? Does the efficiency which applies to stove lids and baskets fail when it applies to Senators?

Heaven forbid that this accidental error, which has already been the cause of Johnsonian "informal observations" now being magnified along the grapevine gossip services in Washington, should preface any permanent departure from efficiency in the Executive Mansion. "Inadvertence" is no word to come from Mr. Hoover. Far better would it be had Mr. Hoover actually snubbed Hiram than that the smoothly working White House machine should have developed so acute a hot box. To whom shall the American people turn when not merely one secretary, but three secretaries, forget as one man to invite the one Senator whose "observations" would be most "informal"?

[From the New York World of November 8, 1929]

#### THE END OF A HONEYMOON

When Mr. Grundy first took the witness stand 10 days ago he promptly seized his chance to utter the time-worn Republican gibe about the panic of 1893 and the depression of 1913 that followed the advent of Democratic Presidents with Democratic tariff ideas. It was a fatuous gibe. The troubles of 1893 were well started before Cleveland was elected, and had international causes, including the London failure of the Barings. There have been panics and depressions under Republican Presidents, as 1873 and 1907 testify. Now the fatuity of such talk is underlined by the unprecedented stock market collapse which follows hard upon the inauguration of Mr. Hoover and the greatest Republican victory in history. If Mr. Smith instead of Mr. Hoover sat in the White House, all the loose-tongued and loose-ideaed Grundies would be hailing the crash as an inevitable result of Democratic misrule. For years to come they would have cited it as evidence that there is only one party fit to govern. Instead, it is a Republican administration which must take the shock, and it is refreshing to think that a thousand Republican voices will explain—quite correctly—that such things happen no matter what the party or the President.

The crash is no catastrophe, but it may well mark a decided turning point. In all likelihood it ends the 6-year honeymoon of the Republican Party with the lusher kind of prosperity, the astonishingly unrestrained trend of expansion and the exaggerated popular belief in speculation and easy wealth. The essential foundation of prosperity is not impaired. But we may hope that the speculative froth has been blown off the business of the country and that the industrial regions will be more inclined to look at realities and exchange their exuberance for soberness. The new atmosphere in both business and politics may be a little bleaker, but a great deal more tonic. If the speculative froth was unhealthy in itself, it was still more unhealthy in some of the things it concealed. In this it was wholly unlike the froth from 1901 to 1907, which in the end proved more disastrous to business, but which did not hide the defects and needs of national life anywhere—near so completely.

The boasted "Coolidge market," the much-extolled "Mellon prosperity," went along with the Coolidge passivity and the Mellon acceptance of the present order as the best possible order. When we come to analyze the reasons for the remarkable acquiescence and inertia of the

last half dozen years in all the relations of people and government, a leading place must be given to the unprecedented luxury surplus which half the American people enjoyed. This half of the people controlled nearly all of the press, most of the other agencies of public opinion, and the principal avenues to the Government. Between the depression of 1921-22 and the present time there stretched a road of steady upward grade.

As production, stocks, and paper profits rose month after month, the idea grew that the helm only needed to be held steady. If anyone suggested that under the surface not everything was well, that there were maladjustments that time was not making any better, and that here and there a timely reform might save nine, the answer came with asperity. We should leave well enough alone. When we had something that was so rightly better than well enough it would be a crime to touch it.

The fact is, of course, that beneath this gilded surface a great deal was not well enough. There were and are a multitude of sore spots in our national life, some of them extending over broad States. We boast of our national wealth and our profits of billions, including the fictitious billions that the October hurricane blew away. But this wealth is so unequally distributed that millions of people in even these lush years have been verging toward misery. We need only look at the mill workers in North Carolina; to look at the farm States with their hundreds of thousands of foreclosed mortgages. These areas are not articulate, and when they do raise their voice the indignant Mr. Grundy steps forward to demand that they be deprived of it. Some of the methods by which wealth is accumulated are not at all reassuring. The Mellon superprosperity did not so much conceal the fact that there are plenty of monopoly and privilege as implant the idea that monopoly and privilege are somehow all right. The fight to bring big corporations under proper control and to put the private exploitation of public wealth—that is, of natural resources—on a proper basis still has to be won. The idea that such a fight should even be made—that the Federal Trade Commission should investigate public utilities, for example—aroused indignation in many people under the spell of superprosperity. The bad organization and worse management which afflict masses of industrial workers are patent. We need but recall what happened to hundreds of thousands of soft-coal workers, with the administration looking indifferently on. Yet superprosperity somehow hypnotized multitudes into believing that our industrial organization is a marvel of perfection.

Now the long honeymoon is over. The time has ceased when a government can win popularity merely by sitting pretty. A more strenuous and eventful period doubtless lies ahead, and we may be glad of it.

[From the Baltimore Sun]

#### WHAT EVERYBODY KNOWS

Perusal of the testimony being given before the Senate subcommittee assigned to investigate the activities of lobbyists confirms what most people have long known to be the truth about the manner in which tariffs are made and administered. It did not require the testimony of William Burgess, the pottery lobbyist who was one of Mr. Harding's appointees to the Tariff Commission, to convince anybody that representatives of the protected manufacturers swarm in Washington like gnats, and even attempt to interfere with the operation of the commission itself. Everybody knows these things. The principal usefulness of the present inquiry is to refresh the memory and point new resolution to effect a remedy.

When the Tariff Commission was created as a fact-finding body it was headed by Prof. F. W. Taussig, of Harvard, and contained men like William Kent and David J. Lewis, and later Thomas Walker Page. That was in the Wilson administration. Its tone was scientific and disinterested. As soon as the power to raise and lower schedules was given to President Harding, however, the situation changed. At the very moment when the Tariff Commission, which had been given authority to advise the President on proposed changes, most needed scientific and disinterested men, its membership began to include men who had been frank and open lobbyists for the interests demanding protection. Men like Thomas O. Marvin, of Boston, of the Home Market Club, and William Burgess, of the china manufacturers, are hardly capable of the impartial and disinterested mind, when it comes to the protective tariff.

With this evolution away from real investigation and toward practical politics in the Tariff Commission itself, it is not remarkable that we should find among the subordinates in the commission a disposition to regard as well-nigh treasonable all research which does not result in recommendation for a boost in a tariff schedule. A man like Frederick L. Koch, who had the courage to follow his investigation to a conclusion, even if the conclusion was against the wishes of the manufacturers, seems to be regarded as a remarkable species from a strange planet. The only rational explanation for such a man plausible to former Commissioner Burgess was that he represented either the importer or the foreign producer. So befogged with special pleading has tariff making become that a man who reaches conclusions dictated by independent research is past all understanding.

If the long-known facts now being rehearsed before the Senate subcommittee do not make plain the dangers of continuing the flexible clause in the tariff law, very little can be done about it. Why a man of President Hoover's intelligence wants to preserve a system that is ple for the Burgesses, always rampant in Washington, is something for the researchers in experimental psychology to work out for themselves.

[From the New York Times of November 3, 1929]

#### THE CHAOTIC SENATE

President Hoover's statement in regard to the condition of deadlock and despair in the United States Senate may or may not have the effect which he desires. At least it has had the effect of forcibly directing the attention of the country to a state of affairs almost without precedent. It is not simply that the Executive and the Senate are at odds. They often have been before. The reputation and popularity of more than one President have been heightened by Senate opposition. This was true of Mr. Coolidge. It may prove true of Mr. Hoover. But at present his administration is hampered by the public knowledge that the nominal majority of his party in the Senate has vanished, and that opponents of his policy are in control. This is the anomalous and unfortunate situation which has really been obvious for several weeks, but to which President Hoover's own appeal to a do-nothing Senate for action has given a vivid characterization which must impress even the most unobservant.

It is no sudden or chance political development. Such an effect defective comes by cause. There is more in it than a personal or even a party animus. It is a breach due to violently conflicting interests. It is a split, less between politicians than between sections of the country. It is an antagonism between West and East, and whenever the twain meet in the Senate there is bound to be friction and animosity. The beginnings of the trouble, the first signs of an incurable division in the Republican Party, date far back. Then came the war, partly to mask them. They began to show themselves again under President Harding and still more threateningly under President Coolidge. In last year's presidential campaign something like a truce was declared between the warring factions, but as soon as the election was over, strife broke out again and became more and more acute and embittered, until it reached such a stage that Republican leaders in the Senate threw up their hands and went to Mr. Hoover to tell him that it is impossible to restore harmony.

Even if some kind of temporary compromise is patched up, the mischief has been done. To the whole Nation has been strikingly demonstrated the fact that a sword has been thrust into the vitals of the Republican Party, that its discipline has been broken down, that it can no longer be counted upon to act as a unit on any highly controversial national question. Recrimination has openly set in. It is not so much an affair of individuals—for in that an accommodation could be found—as of regions and powerful local movements. Thus we have the extraordinary spectacle of a Republican Senator, high in favor with the President, constituting himself a spokesman for the East and bluntly telling the Western States that they can not hope for better treatment in Washington unless they recall their present Senators and send others of a larger caliber. When no less a man than Senator REED, of Pennsylvania, adopts this tone and seems unaware how insulting it will appear to the West, we get a fair measure of the lengths to which this Republican controversy has gone, carrying with it the extreme doubt whether anybody will be able to bring order out of the Senate chaos.

Whatever else may be said of the special session of Congress, it has been undeniably unfortunate if not disastrous for the Republican Party, and most embarrassing to President Hoover. If it had not been called, there might have been time and opportunity for the administration to compose some of the difficulties, or at any rate to work out for itself so strong a position politically that it would have had more influence with the Senate. If Mr. Hoover had not, as a campaign move last year, promised an extra session of Congress, it is almost certain that he would not have had to face the Senate until December. Surely he could not have wished to see his party in the Senate so early broken into discordant fragments. But by his own binding promise he was compelled to risk the explosion which has come. The result confirms the view expressed by the Times last year when Mr. Hoover yielded to Senator BORAH and announced that he would call a special session of the new Congress, to the effect that it was most unwise for him to preclude himself from studying the facts as they would exist after March 4 and making up his mind then what would be the best course to pursue. In the light of what has happened, it is safe to say that if the President had not tied his own hands in advance he would not have precipitated the impotent wranglings of the Senate which have evidently disgusted him along with most other Americans.

[From the Charleston (W. Va.) Gazette of November 7, 1929]

#### THE ELECTIONS

It rarely happens that an election result is entirely devoid of consolation to the losers. The opposition to Tammany in New York can

turn from Walker's smashing majority to an increased vote for the Socialist candidate, Thomas, and to the large vote received by the Republican congressional candidate—a negro—in the twenty-first New York district. Their popular mayor of Louisville was reelected by an increased vote—quite a consolation for the Democratic sweep that carried the legislature with a decided majority.

Interest was centered on Virginia, which voted for Hoover last year owing to Democratic disaffection for which Bishop Cannon got the credit or blame, depending upon who is doing the talking. This election was to decide whether Virginia is permanently anti-Democratic or that the vote last year was one of those temporary changes to be likened to the votes of California and Kansas for Wilson in 1916. The result proves that the latter is the fact. There was a complete fusion of the Republicans and all the Cannon Democrats; and, evidently, there were few of the latter; that is, few who took seriously his effort to make prohibition and religion national issues. As a ship properly built and balanced, withstands a heavy sea, so Virginia, convinced that the machinations of Cannon had in view more the destruction of the Democratic Party than the triumph of any moral issue, settled back to an even keel, none the worse but all the better for the aberration of 1928. All over the country the Democrats have held their own and have answered the query whether or not the result in 1928 gave it a knock-out or just a jolt as a warning. Meanwhile, performance, as compared with promise, had some effect upon the voters of both parties. The patent effects of the union of "secret government" and a section of the Republican Party—more apparent in the atmosphere of what was done and what is than in the airplane picture and the radio announcements—has been potential in the returns. Those who dread the marriage of the Federal Reserve Board with the Wall Street market realized that the country needs the Democratic Party much more now than it did in 1928.

The warnings of Al Smith a year ago, that the prosperity of the country had been quarantined in a few banking centers, notably, New York, have had demonstrations within the last year. The Republican Party in Congress has shown weakness, and all the signs of lack of cohesion and a national purpose. It has debated and investigated things which can not possibly be so material to the country's welfare as its financial structure. While this financial structure has been the football of gambling that exceeded the Mississippi bubble, Congress has contented itself with investigating and debating inconsequential things. The result was seen in the collapse of Wall Street. The people back home did not relish the making of a Wall Street gambling den the hub of the country's financial and industrial structure. Even though Congress failed to have any sense of proportion, the people did. There was not enough involved in the few elections held last Tuesday to bring out a clear repudiation of the congressional inefficiency, but there was enough, in spots, to show that if the administration and Congress do not get down to solid facts and to the proper assessment of the things worth while, there will be a revolution in 1930, to be followed by a clean out in 1932. Congress may have failed to debate, and the President may refuse to consider, the things that are depressing the values of real estate in the hands of the people, all over the country, but the people will vote, whenever they can get a chance to do so, that there is something in the United States of America besides Wall Street.

[From the Farmer and Breeder for October 15, 1929]

#### THE FLEXIBLE TARIFF AND ITS MEANING

There exists here in the Northwest, as elsewhere, an amazing misunderstanding if not downright ignorance as to the actual operations of the Tariff Commission and the handling of the flexible provisions of the tariff law of 1922. The commission has a history of some seven years, and it is now a fairly open history, thanks to the United States Senate. And that history is not a pleasing one by any means. The commission has been the football of politics every minute of its existence, and the insidious influence of tariff lobbyists working secretly behind closed doors has been the modus operandi from the beginning.

The prevalent idea that the Tariff Commission acts promptly and alertly to correct tariff inequalities and that it is a safeguard in time of emergencies is, in the face of the facts, positively ridiculous. Let us review a few of the "swift adjustments" of tariff rates made by the commission and the President, particularly upon farm products of the Northwest.

First, in the case of butter. The then Senator of Minnesota, Magnus Johnson, introduced a resolution in the Senate, which was passed early in 1924, asking an investigation of the dairy industry and its need of higher tariff rates. The Tariff Commission was ordered to begin its investigation of the butter situation on July 14, 1924. It reported its findings on February 25, 1926, and on March 6, 1926, the President issued the proclamation increasing the tariff from 8 to 12 cents per pound. A period of 20 months elapsed before final action was taken.

In the case of milk and cream, the investigation was pending in the commission for nearly three years—34 months, to be exact. In the matter of casein it required 35 months, or just 30 days less than 3 years, for

the commission to ascertain that increased duties were not justified on casein. In the matter of Swiss cheese the commission again required nearly three years to bring in a report. If these are examples of "swift adjustment" of tariff rates, the word "swift" is exceedingly elastic.

In two outstanding instances the commission acted with commendable promptness. These were in the cases of wheat and wheat products and bobwhite quail. Only four months were required to adjust tariff schedules on these products.

When we of the open West give serious thought to the whole matter of the Tariff Commission and the flexible provision of the tariff laws we will without question agree with the conclusion Herbert Hoover reached in his speech at Boston in October, 1928. This is what Mr. Hoover said:

"The Tariff Commission is a most valuable arm of the Government. It can be strengthened and made more useful in several ways. But the American people will never consent to delegating authority over the tariff to any commission, whether nonpartisan or bipartisan. Our people have the right to express themselves at the ballot upon so vital a question as this. There is only one commission to which delegation of that authority can be made. That is the great commission of their own choosing—the Congress of the United States and the President. It is the only commission which can be held responsible to the electorate."

If we of the West consent to the delegation of taxing power to the President and a commission, we are, in this writer's opinion, taking a fatal step. I join heartily with Senator BORAH when he says:

"I am unwilling to leave the West and the great agricultural interests to the control or direction or decision or judgment of a Tariff Commission; that is to say, a Tariff Commission whose judgment finally crystallizes into rates. Are we western Senators to be asked under these circumstances to say that we are willing to surrender our equality of power, to have it turned over to a commission in which we will have practically no representation at all?"

It is time for the West to do some sound thinking about its future political power. The mere fact that we have been tardily granted some justified tariff increases should not blind us to the serious underlying features that confront us in the flexible-tariff provisions. We do not want to place ourselves in the position logically of a man who would condone burglary if a burglar would give him some of the loot.

[From the Baltimore Sun of November 1, 1929]

#### MR. HOOVER'S STATEMENT

It is impossible to describe President Hoover's statement on the tariff yesterday as other than so many paragraphs of nonsense.

If Mr. Hoover sought to use the White House sounding board to make a partisan argument to the country that the Democrats and insurgents who have opposed the Smoot-Hawley bill have improperly delayed consideration and action, he trifled with the intelligence of the country. The bill has not been improperly delayed, and everybody, including the President, knows this to be true. Mr. Hoover speaks of the bill having been in the hands of the Senate since June. But he well knows that it was late in August before the Finance Committee, controlled by his party and his followers, presented the measure to the Senate. It has been open to discussion on the floor for approximately two months—little enough time for such a sweeping revision as has been attempted, little enough time in comparison with other tariff debates in the Senate.

If Mr. Hoover was not using the White House sounding board in a merely partisan attempt to score on the Democrats, if he was actually making an effort to bring about the passage of the Smoot-Hawley bill by the Senate within two weeks, his statement was equally nonsensical. The President's prestige with the country is very great. But it is not great enough to crowd through this bill in a fortnight. So far as the Senate is concerned, the Democrats and insurgents who have halted the grab that came from the House and from the majority of the Finance Committee are still in control. So far as the public is concerned, one may quote Mr. Mark Sullivan, who certainly is not an enemy of the Hoover administration. Writing only yesterday in the stanchly Republican New York Herald Tribune of the public's attitude, Mr. Sullivan said: "These reports say the bill is damned equally by those who understand it, or think they do, and by those who do not."

There is no trouble in understanding that Mr. Hoover is disturbed by the developments in the Senate's debate on the tariff bill. He called Congress into special session to enact legislation for the relief of the farmer. This legislation was to take two forms. One was the measure setting up a great revolving fund to be loaned to cooperatives. The other was to be a revision upward in the tariff rates on agricultural commodities—a dubious undertaking, but one the farmers wanted and one Mr. Hoover had pledged. Mr. Hoover is in very grave danger of failing to redeem his tariff pledge to the farmers, and of having the issue run into the congressional campaign, which will open within a few months. In addition, he is within a hair's breadth of one of the most embarrassing upsets in the Senate any of the Presidents has known. The feeble Mr. Coolidge knew nothing in the first year of his

term like the threatened debacle in the Senate. It is being compared with Woodrow Wilson's defeat. But that occurred at the end of Mr. Wilson's second term and when he was physically flat on his back, a stricken man.

The solid grounds for Mr. Hoover's perturbation may well be conceded. But when he seeks relief, he should turn not to a partisan maneuver against the Democrats. He should look squarely at his own responsibility. He said, in outlining tariff legislation to this session of Congress, that revision of rates applying to industries should be limited to those which are suffering "slackening of activity" and "insurmountable competition." And it is known, it has been demonstrated over and over again, that the Smoot-Hawley bill gives additional tariff subsidies to concerns that have been breaking all records in profits. Mr. Hoover is in trouble because he has stood by in silence while his party flouted his own professed principles. He could intervene in a congressional debate in behalf of the flexible tariff, but not for honest industrial rates. He could intervene in a congressional debate against the farmers' debenture, but not for honest industrial rates.

Mr. Hoover, in his statement yesterday, offered as an excuse for his silence that he could not be expected to pass on rates for thousands of commodities. That also is nonsensical. It is the kind of thing a man says when he does not wish to act. In the first place, Mr. Hoover has at his elbow the machinery by which he could obtain information on all rates as fast as the Senate. In the second place, Mr. Hoover can form judgment upon industrial rates as well to-day as he could if and when a completed tariff bill were presented to him. Is the country to believe that, in the event Mr. Hoover's party could have its way in Congress, he would sign any tariff bill submitted to him simply because he felt that he could not pass on thousands of rates? Is that—a man with his hands down—what the country has to expect from the great business executive voted into the White House last year?

There is a suggestion in this strange statement of yesterday that Mr. Hoover may really believe that amazing course would be proper. He talks of the impossibility of his passing on the rates. He talks of the difficulty the Senate has had with rates, as shown in the protracted debate. Then he talks of the beauty of the flexible tariff plan—that gorgeous system which, as Mr. Hoover's friend, Alfred P. Dennis, of the Tariff Commission, has explained, does flex, but only upward. Assuming this part of the Hoover statement to have any real meaning, the only conclusion from it must be that any sort of a tariff bill may be passed by Congress and any sort of a tariff bill may be signed by the President, provided only that the President may subsequently revise the rates at will. And if that means anything, it means that Congress shall go through the constitutional motions of representing the people in the levying of taxes, but that actual power to tax shall rest in one man—Herbert Hoover.

It is not necessary to argue the vice of any such surrender of constitutional power by Congress. But if it were necessary, one could turn to the speech of Mr. Hoover in the 1928 campaign, in which he sonorously declared that the American people will never delegate power over the tariff system to any commission save (to use his own words) the great commission of their own choosing, the Congress of the United States.

#### NEED OF FARM RELIEF

Mr. HARRIS. Mr. President, I ask to have printed in the Record a letter from Mr. C. O. Trammell, a prominent farmer of Durand, Ga., relative to the need of farm relief and making suggestions to that end worthy of note.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DURAND, GA., November 4, 1929.

HON. WILLIAM J. HARRIS,  
Senate Office Building, Washington, D. C.

DEAR SENATOR: Since writing you last week I have been asked by numbers of people to appeal to you to have the farmers' seed loan placed in a revolving fund or fixed so that the farmer can at least use it another year.

The farmers at large could not have done anything without it this year, but I think all of them are paying it back and have a little to spare; but if they put this little on previous debts, they will have nothing to go on another year unless they can borrow this Government money. The banks are not loaning anything to the farmer unless he has rock-bound security, nor yet to the merchant so that the merchant is not able to finance the farmer, either.

We regard this loan, with its cheap interest, one of the greatest pieces of legislation that was ever enacted for the farmer. I myself was one of the beneficiaries of this loan, and if it had not been for it I should not have been able to move a peg, and I know that many other farmers were in the same boat. We are paying back this loan, as I said, and are able to meet some of our previous obligations; but with no credit to be obtained elsewhere we will have very little, if anything, to go on next year.

The reasons why I make this appeal:

In the first place, it protects the farmer from any interference of any other creditor who might want to oppress him.

In the second place, he is so delighted with the Government's move to assist him that it appears to me that he will repay at any cost.

In the third place, the farmer, and especially the cotton farmer, is the very bedrock of this Government, and if the Government owes anybody or any set of people anything at all it owes it to him.

In the fourth place, there are no communists, no anarchists, no Bolsheviks, and no other enemies of the Government among the farming class of people.

One more word in behalf of cotton—it is the foundation of more science and civilization, progress, and commerce in the last hundred years than all the other elements have laid since the foundation of the world and perhaps, as I see it, in less than 50 years the Federal Government will have to beg, no; I should not say that of the farmer, it will only have to ask him and he will certainly come to the rescue of his Government as he has always done. But if the farmer is destroyed for the want of proper legislation, how can he protect the Government? Fifty-five years ago when I used to travel with my father throughout the State, for every half mile on our travels we would pass a home, a happy home, enjoying life on the farm. To-day, I do not know of one and, I dare say, not one in the State. Houses are all rotting down. Scarcely anybody is on the farm save a few who could not get away. These are the conditions, these are indisputable facts. Read and weep. Government, save the farmer. The farmer will save you.

Yours respectfully,

C. O. TRAMMELL.

#### EXECUTIVE MESSAGES

Sundry messages in writing were communicated to the Senate from the President of the United States by Mr. Hess, one of his secretaries.

#### REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

Mr. WALSH of Montana. Mr. President, I desire to advert to one or two features of the remarks of the Senator from Massachusetts [Mr. WALSH] immediately preceding the vote on the manganese item in the bill in the RECORD of November 7. Reference was made to a number of pamphlets sent out by promoters of manganese enterprises with a view to establishing the contention made by the Senator that the imposition of the duty asked would stimulate the flotation of fake stock-selling enterprises. Of course, that might be said with respect to any legislation enacted by Congress. Take the ever-beneficent mining code itself of 1872. Everybody realizes that all manner of stock-speculation schemes have been floated under the provisions of that act and many other acts of Congress. I pay no attention to that, but I want to call particular attention to a remark of the Senator from Massachusetts, found at page 5304, as follows:

An examination of the deposits of manganese in Montana reveals the fact that the total reserve is approximately 1,000,000 tons.

Mr. President, I have before me a report of the Bureau of Mines, Department of the Interior, issued October 16, 1929, which shows that there are more than a million tons actually in sight, as expressed in the mining country, in the Philipsburg district alone. I ask that this report, which is not lengthy, may be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The report is as follows:

#### MANGANESE ORE RESERVES AT PHILPSBURG, MONT.

Manganese dioxide, which is used in making dry batteries, has since 1918 been obtained in the United States chiefly from the Philipsburg district, in Montana. The district has also produced more or less manganese oxide ore suitable for use in steel making, and recently a small shipment of Philipsburg ore was used at Silver King, Idaho, in the Tainton process of zinc extraction. The process of beneficiating the dioxide ore has produced a large quantity of manganiferous tailings, which is valuable either for reconcentrating or for fluxing. It is now being used as a flux at the blast furnace of the Columbia Steel Corporation at Provo, Utah, in the manufacture of high manganese pig iron.

#### PRODUCTION

Statistics compiled by J. T. Pardee, of the Geological Survey, Department of the Interior, who has visited the district from time to time since 1918, supplemented by figures from the Bureau of Mines, Department of Commerce, show that to the end of December, 1928, shipments of manganiferous material from Philipsburg amounted to 442,482 tons, classified as follows:

	To end of 1918 (war period)	1919-1928	Total
Crude ore (35 per cent or more of manganese).....	Tons 200,079	Tons 30,700	Tons 230,779
Concentrate (about 70 per cent of manganese dioxide).....	1,450	188,550	190,000
Tailings (about 20 per cent of manganese).....		21,488	21,488
Low-grade crude ore (about 20 per cent of manganese).....		215	215
Total shipments.....			442,482

On the assumption that  $2\frac{1}{4}$  tons of crude ore was required for each ton of concentrate produced, it appears that in round figures 427,500 tons of ore was milled. This amount, added to the crude ore shipped, gives a grand total of 658,500 tons mined.

#### STRATIGRAPHY

The area of productive manganese deposits at Philipsburg is underlain by limestone. It is bordered on the east and south by a later intrusive granite (granodiorite), part of the east boundary being a fault on which the granite is thrust over the limestone. At the south there is a deep reentrant in the boundary occupied by barren quartzite, garnet rock, and other contact-metamorphosed sediments. Toward the west and north the manganese deposits die out gradually. The bedded rocks are involved in a northward-trending fold called the Philipsburg anticline. At the south the barren quartzite and garnet rock are exposed along the axis of this fold, and the overlying manganese-bearing limestones form its flanks. The axis plunges northward, and consequently the quartzite and garnet rock disappear beneath the surface and the limestones occupy not only the flanks but the axial area of the fold. The granite cuts off part of the east side of the anticline and at the south the whole anticline.

The accompanying map is generalized because areal details are not essential to this article, but the details of structure are shown in the cross sections.

#### MANGANIFEROUS DEPOSITS

Manganese minerals are found throughout the Philipsburg district, but workable deposits of manganese ore are confined, so far as known, to an area about  $1\frac{1}{2}$  miles long and a mile wide in the west-central part of the district. Manganese is not, however, uniformly distributed through this area. It becomes increasingly abundant toward the southeast, where about two-thirds of the available reserve is concentrated near the granite in about a quarter of the total area.

The occurrence and characteristics of the deposits are described in a former report. (Pardee, J. T., Deposits of Manganese Ore in Montana: U. S. Geol. Survey Bull. 725, pp. 146-174, 1922.) They are associated with a series of east-west silver-bearing veins and, like replacement deposits in limestone generally, they are characterized by irregularity of form. Some approach a cylindrical form, and the Headlight deposit is tabular, but most of them can be described only as irregular bodies. They seem to prefer certain of the limestone beds to others—a fact that is useful in development work. They were originally composed of manganese carbonate, which was introduced somewhat later than the silver ore, came from a deep-seated source, and made room for itself by replacing the country rock.

#### OXIDATION

Development workings show that in the limestone beds oxidation of the manganese bodies, except for a few small residual masses, is complete to an average depth of at least 450 feet, and, as indicated by the position of the water table, or top of the zone of saturation, it probably extends to a maximum depth of at least 750 feet. (See cross sections.) In this district the ground water flows toward Philipsburg Valley, where it finds an outlet at an altitude of 5,100 feet. Because ground water generally moves freely through limestones it is probable that the water table does not rise steeply away from the outlet. This inference is supported by evidence from the Hope mine, where, in the Shapleigh shaft, water stands at an altitude of about 5,200 feet. The Headlight mine is dry at a depth corresponding to an altitude of about 5,400 feet. In the True Fissure and Silver Prince (Scratchaw) mines ground water coming from the granite sinks and disappears in the limestone at altitudes of 5,500 and 5,600 feet, respectively. In the Algonquin mine the water table is at the exceptionally high altitude of 5,800 feet, owing to seepage from Frost Creek. The ground-water movement at the Algonquin, however, is downward and outward, as shown by the fact that oxidation extends at least 400 feet below the top of the water-saturated zone. In the Mullin and Morning (Wenger) mines the water table is relatively high, owing to the nearness of the water-saturated garnet rock and quartzite. From these data it is concluded that in general oxidation is complete throughout the aerated zone and in the upper part of the saturated zone, where the ground water moves freely toward its outlet. Oxidized ore, therefore, should be found down at least to an average altitude of about 5,250 feet, or throughout a zone that averages 750 feet in depth.

#### RESERVES

The following estimate includes whatever ore was blocked out December 31, 1928, and in addition the reserves indicated by geologic evidence

to be present. As it is restricted to the area previously mentioned and to a depth of 750 feet, it does not include whatever manganese future exploration may discover outside of these limits. There is, in fact, reason to think that a large amount of manganese ore, probably carbonate, exists at greater depth.

For convenience in estimating reserves the prism constituting the manganiferous area to a depth of 750 feet is divided into an upper layer 150 feet in average thickness, called zone 1; a middle layer 300 feet thick, called zone 2; and a lower layer 300 feet thick, called zone 3.

Zone 1 is pretty thoroughly explored and, except for a reserve of 60,000 tons, is exhausted. It has yielded all the ore produced to date except about 60,000 tons that came from zone 2 through the Algonquin shaft.

Zone 2 is partly explored and appears to contain at least the same amount of manganese ore, volume for volume, as zone 1. Its volume of replaceable limestone is about one and one-half times that of zone 1. One and one-half times 658,000 tons (content of zone 1) equals 987,000 tons, which is the total original content of zone 2. As 60,000 tons has been extracted the reserve in zone 2 is 927,000 tons.

Zone 3 is not penetrated by mine workings, but its stratigraphy and other geologic features are determinable. It is still within the vertical range in which, as shown by the neighboring Granite Mountain and Bi-Metallic mines, manganese carbonate was originally deposited. Most of it is above the water table, and it is assumed to be largely oxidized. It contains a somewhat smaller volume of replaceable limestone than zone 2 and is estimated, therefore, to contain 800,000 tons of manganese ore, chiefly oxide. Accordingly, the total ore estimated to be remaining in the 750-foot prism is about 1,780,000 tons, an amount which at the present rate of mining will last for 30 years.

Mr. WALSH of Montana. Mr. President, I call attention only to the last sentence of the report, as follows:

Accordingly, the total ore estimated to be remaining in the 750-foot prism is about 1,780,000 tons, an amount which at the present rate of mining will last for 30 years.

That is, the ore actually in sight after making the deductions for the extraction there.

The Bureau of Mines and the Geological Survey are exceedingly conservative about estimating ore deposits except those which are actually blocked out. So they furnish us no information concerning the amount of low-grade manganese ore throughout the country; but I have before me a report giving the estimates of the taxing officers of the States of Minnesota and Michigan concerning manganese deposits in those States. I ask that their schedule be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

*Combination 1.—Available reserves, manganiferous iron ores*

[Employing (a) the 1925 figures based on estimates by State commissions; (b) the average percentage for the past 10 years of manganese production]

	Estimated tonnage of all grades, 1925 (1)	Manganese ore production last 10 years, average per cent (2)	Calculated reserve, tons (1)×(2)
Mesabi.....	1,253,442,107	0.8	10,027,537
Cuyuna.....	51,660,746	34.8	17,977,940
Gogebic.....	65,000,000	9.6	6,240,000
Menominee.....	67,184,024	5.8	4,996,673
Total.....			39,242,150

Combination 1 is clearly wrong, because the reserve shown for the Cuyuna district by the method used is only about one-half of the estimate of such ore used by the State commission as taxable ore.

*Combination 2.—Available reserves, manganiferous iron ores*

[Employing (a) same taxable tonnages as in combination 1; (b) the average percentage for past 4 years of manganese production]

	Estimated tonnage of all grades, 1925 (1)	Manganese ore production last 4 years, average per cent (2)	Calculated reserve, tons (1)×(2)
Mesabi.....	1,253,442,107	0.25	3,133,805
Cuyuna.....	51,660,746	50.09	25,830,372
Gogebic.....	65,000,000	14.3	9,295,000
Menominee.....	67,184,024	6.5	4,366,961
Total.....			42,626,138

Combination 2, it may be noted, is based on the requirements of manganiferous ore experienced during the more recent years. It shows a marked reduction for the Mesabi reserve, and the Cuyuna reserve is still not as large as actual estimates produce.

*Combination 3.—Available reserves, manganiferous iron ores*

[Employing for Michigan average production of past 4 years and assuming it to represent average production for 20 years, or one-half period of life predicated by L. P. Barrett]

	Calculated reserve, tons
Mesabi (using a nominal quantity, see p. 18).....	2,000,000
Cuyuna (using approximate total of Minnesota Tax Commission).....	30,000,000
Gogebic.....	743,088 tons, average of past 4 years.
Menominee.....	299,156 tons, average of past 4 years.
	1,042,244 tons, average of past 4 years.
	× 20 years.....
Total.....	52,844,880

This combination more than satisfies a minimum requirement of 48,000,000 tons.

*Combination 4.—Available reserves, manganiferous iron ores*

[Using the special Cuyuna estimate]

	Calculated reserve, tons
Mesabi (see combination 3).....	2,000,000
Cuyuna.....	44,000,000
Gogebic and Menominee (see combination 3).....	20,844,880
Total.....	66,844,880

This combination satisfies the demand of 60,000,000 tons which would arise to cover the estimated total requirement up to 1946.

*Combination 5.—Available reserves, manganiferous iron ores*

[Using the largest estimate for each district]

	Calculated reserve, tons
Mesabi (see combination 1).....	10,027,537
Cuyuna (see combination 4).....	44,000,000
Gogebic and Menominee (see combination 3, but using 25 years).....	26,056,100
Total.....	80,283,637

Mr. WALSH of Montana. The report shows, Mr. President, a total in the two States of Michigan and Minnesota of 80,283,637 tons.

Mr. President, this does not include Butte, which, on all hands, is conceded to be the greatest deposit of manganese probably thus far exploited to any considerable degree.

I want to advert to other features of the remarks of the Senator. He quotes as follows:

In reply to Senator KING, of Utah, before the Finance Committee of the Senate when asked about the quantity of manganese ore in Montana, Mr. Pumpelly stated:

"The estimates are confusing. They are varied. They are optimistic and they are pessimistic. I think I would be willing to take Doctor Leith on that \* \* \*."

Then follow stars—

Senator KING. You do not insist that there is any very large amount of the high-grade ore available?

Mr. PUMPELLY. Not any tremendous amount.

I should like to have incorporated, Mr. President, and I read the part of the testimony of Mr. Pumpelly which was omitted. It is as follows:

The estimates are confusing. They are varied. They are optimistic and they are pessimistic. I think I would be willing to take Doctor Leith on that.

That is as far as the quotation goes; but Mr. Pumpelly said:

I think I would be willing to take Doctor Leith on that, on the high-grade ore.

Senator KING. To what depth?

Mr. PUMPELLY. I think, on the other hand, Senator, if you drop that percentage of manganese content to 10, for instance, you will greatly increase the available tonnage.

Another thing: The testimony of Doctor Leith is quoted, as follows:

Assuming that all these problems were solved in Montana \* \* \* and giving it very liberal extensions beyond, I think a figure of something like 3,000,000 tons is a very large figure for the available ore in that district, and there again I should hesitate very much to take any business man out there, or any professional colleague, and attempt to show him 3,000,000 tons.

So far Doctor Leith did testify, but he also said:

I think a figure like 3,000,000 tons is a pretty large figure for the available—

"For the available"—

carbonate ore in that (the Butte) district; and there, again, I should hesitate very much to take any business man out there, or any professional colleague, and attempt show him 3,000,000 tons.

So far Doctor Leith is quoted by the Senator from Massachusetts; but he continued:

But I think it is there. And if the claim is made that more is there, I am willing to concede the possibility.

I felt called upon to make these remarks, Mr. President, because one would gain the impression that the Montana deposits are very much less important than they are. I call attention to the fact that in the Philipsburg district alone the official report is there are in sight 1,780,000 tons, and that does not take into consideration the Butte district at all.

Mr. NYE. Mr. President, just before the Senate recessed last evening I sent to the desk and had in part—and the remainder was ordered to be printed in the RECORD—a review of the experiences with relation to our national forests in times past. I have no desire to delay the work of the Senate by discussing that article, but I do ask those who are interested in the shingle schedule, at their leisure and when the opportunity is afforded them, to give study and thought to the contents of that review.

Listening to the debate by the proponents of a duty on shingles yesterday one is struck by the causes which they attribute to the closing down of the mills in the shingle districts of Washington and Oregon. At least one draws the conclusion that a large contributing factor to the closing of those mills is the lack of a tariff.

In 1914 the Department of Commerce, confronted with a request for information as to the cause of the closing down of the mills there, reported as follows:

The closing of the shingle mills in the State of Washington is not an unusual occurrence. In the winter season a large proportion of the mills, particularly those located away from tidewater, usually close because of weather conditions. It is not claimed by the lumber and shingle manufacturers that the closing down of the mills in the latter part of the year 1913 was due to the removal of a duty on their product. There was no general complaint among the lumber and shingle producers because of the removal of the duty at the time the above-mentioned letter was addressed to the Secretary of Commerce.

The above-mentioned letter referred to was a letter asking the Department of Commerce to conduct an inquiry into the causes.

Mr. DILL. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Washington.

Mr. DILL. That report was submitted in 1914, was it not?

Mr. NYE. As I have said, that report was submitted in 1914.

Mr. DILL. The report refers to the closing down in the winter months. I call the Senator's attention to the fact that the closing down at the present time occurs regularly every month of the year, and is purely due to the importations of 30 per cent of our consumption of shingles.

Mr. NYE. Mr. President, the closing down of the shingle mills is occasioned not by lack of a tariff but by certain specific causes which I wish to review very briefly at this time. In the first place, the shingle mills are closing down because there is an ever-decreasing demand for the kind of shingles which the American shingle manufacturers are producing; there is a closing down because of a very material decrease in the consumption of shingles in the United States; and there is a closing down of shingle mills because the timber supply grows more and more exhausted from year to year. They are also closing down because of the use of roofing substitutes and because of the ordinances of cities, both large and small in population, prohibiting the use of wooden shingles in construction work in those cities.

The shingle mills are closing down and domestic production is falling off because, in very large measure, of the depression which exists upon the American farm to-day, and which has existed there since 1920, or the years immediately following the World War. Mr. President, this is no small contributing factor to the closing down of the shingle mills and of the decline of shingle production in the United States. One could not be conversant with the situation that has confronted agriculture during the last 10 or more years without realizing that some industries, and, in the end, all industries, would have to suffer by virtue of that depression.

One visiting in strictly agricultural America during recent years could not help but make a comparison of the situation that exists in the farming area now with the situation that existed, say, 15 years ago. Fifteen years ago it was a matter of pride in the western rural area to take visitors, particularly

visitors from the East, out on the plains and into the farming sections and point out to them the comfortable and splendid homes that existed upon all the farms, and to call attention to the splendid manner in which those homes and those properties were being kept up and repaired. They gave the impression of comfort and plenty in each and every case.

Now, however, one can travel over those same areas and find decay everywhere. Where there is not absolute abandonment of farms, the farm property is found to be in bad repair. The buildings need reshingling; they need paint; they need many of those things which would bring the farms of America back to the fine condition in which they were a matter of, say, 15 years ago. As soon as agriculture does come back, as soon as agriculture does gain something of that economic equality with industry in America which is being sought, there is going to be a demand—and a great demand—for the supplies which are needed to repair and to restore the properties to that state which they once occupied, and a state which we want to see them occupy again.

The domestic production of shingles is declining and shingle mills are closing because also of the low quality of shingles being turned out by our American shingle mills.

Mr. President, going back to the subject of the part that patented shingles and patented roofing have played in decreasing the demand for wooden shingles, let me point out that in 1909 there were twice as many squares of roofing being covered by wooden shingles as by patented roofing, whereas 18 years later, in 1927, the figures are greatly reversed, and we find three times as much patented roofing being used as there are wooden shingles being used. Of course, in the face of developments of that kind, there must be, there is bound to be, a decrease in production and in the consumption of wooden shingles. It is quite the natural thing to expect.

Mr. COPELAND. Mr. President—

Mr. NYE. I yield to the Senator from New York.

Mr. COPELAND. What is the Senator's observation regarding the use of shingles or shingle substitutes during the past year as compared with previous years? Has the Senator any figures on that point?

Mr. NYE. I have the figures, I will say to the Senator, but I do not have them with me this morning, and therefore can not enlighten the Senator.

Mr. COPELAND. Does not the Senator have the impression that, on the whole, there has been a decrease in the building of such houses as would use shingles during the past year or two because of money conditions?

Mr. NYE. I think that is a large contributing factor—yes, indeed.

Mr. COPELAND. I think it is true that so much money has gone into gambling in Wall Street that it has been almost impossible for mortgage money to be had through the banks. The result is that in my community the building of homes has largely ceased; and, of course, with the cessation of building there will be a decline in the demand for shingles. I was hoping the Senator had figures which would show the actual facts with regard to the decline in the use of shingles and shingle substitutes.

Mr. NYE. I have not those facts available this morning.

Mr. President, going back now to the subject of the farm depression and the manner in which it has contributed to the decreased production and consumption of wooden shingles, let me point out that 70 per cent of the shingles consumed in the United States have been and are being consumed on the farms or in communities that are dependent strictly upon the farming industry for a living. As long as that situation prevails it must be apparent that a duty, no matter how large or how small that duty may be, is going to be reflected back in the costs of the American farmer.

Mr. DILL. Mr. President—

The PRESIDING OFFICER (Mr. HEBERT in the chair). Does the Senator from North Dakota yield to the Senator from Washington?

Mr. NYE. I do.

Mr. DILL. What is the authority for the Senator's statement that 70 per cent of the shingles go to the farms and the small towns?

Mr. NYE. I am unprepared right now to say that these are Tariff Commission findings, but it seems to me that they are.

Mr. DILL. No; they are not Tariff Commission findings. I can say that to the Senator.

Mr. NYE. Perhaps the Senator has some information concerning them.

Mr. DILL. The only thing I have is information that was collected during the past year as to where the shipments of shingles and cedar from the State of Washington went. That is all I have.

Mr. NYE. What do the Senator's figures indicate?

Mr. DILL. These figures indicate that an average of 78 per cent of the shipments from the States of Washington and Oregon last year went to the cities and districts surrounding the metropolitan area and that 21 per cent went to the country and small towns. I have no other figures; but when the Senator said that 70 per cent go to the country towns and the country districts I wanted to get his authority.

Mr. NYE. I am going to try to quote the authority before I finish.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. NYE. I yield to the Senator.

Mr. NORRIS. I should like to ask the Senator from North Dakota and also the Senator from Washington, who has just given that information, whether it is not very probable that a large amount of these shingles shipped to the cities were shipped in the regular trade, perhaps wholesale, and were reshipped from these cities to the country and to the smaller towns?

Mr. DILL. That is possible.

Mr. NYE. It would be interesting to know what are considered cities in the Senator's report.

Mr. DILL. They are metropolitan cities of 50,000 or more; but there may be something to the suggestion of the Senator from Nebraska. It seemed to me, however, when 78 per cent went to the cities, that it was hardly probable that 70 per cent of all the shingles and cedar lumber went into the country districts.

Mr. NYE. Of course, there is another thing to be taken into account at this time, and that is the very material reduction in the consumption of shingles on the American farm.

Mr. DILL. I recognize that.

Mr. NYE. What has been true over a period of years may not be true for the past year or the past two or three or four years.

Mr. DILL. I have seen the statement the Senator quoted, that 70 per cent went to the farming districts, but I have never been able to get any authority for it, and I thought perhaps the Senator had found some authority.

Mr. COPELAND. Mr. President—

Mr. NYE. I yield to the Senator from New York.

Mr. COPELAND. I rose to make the same suggestion that was made by the Senator from Nebraska. Undoubtedly a large number of shingles sent, for instance, to New York Harbor would go into the hands of jobbers and be distributed from there to the country sections, so the fact that these shingles are sent to the centers would not prove at all that they were used there. I think undoubtedly they would be distributed from those centers into the rural districts.

Mr. NYE. That is quite true, Mr. President.

Mr. DILL. Mr. President—

Mr. NYE. I yield to the Senator from Washington.

Mr. DILL. I want to call attention further to the fact that the same report shows that 43 per cent of the total shipments went to the Atlantic Coast States, and 99 per cent of those went to the big cities and would be distributed from them, showing that a tremendous part of these shipments went to the communities that are thickly populated and not to the farms.

Mr. NYE. With a comeback of agriculture in an economic way there is going to be occasion for extensive use of building materials. Since the war, decay has been so material with relation to buildings on the average farm that to repair and replace this decay is going to cost the American farmer many millions of dollars. It ought, therefore, in view of the prevailing circumstances, to be made possible for the farmer to do this reconstruction work at the minimum of expense. Certainly we ought at this time, from a farm standpoint, not to be engaging in making his burden the greater.

In this connection, most interesting proves an article taken from a publication in Nebraska reviewing a recent survey of the farm area in Nebraska as to its needs in building improvements:

In driving 1,212 miles through eastern, western, and central Nebraska we observed 1,489 sets of buildings and observed the amount of repair which is urgently needed. Some of the results are indicated below:

Farmsteads checked: 1,489, 109 of which buildings were not occupied.

Houses: 44 must be rebuilt, 134 badly in need of remodeling, 101 in considerable need of repair.

Barns: 102 must be rebuilt, 231 badly in need of remodeling, 85 in considerable need of repair.

Poultry houses: 162 must be rebuilt, 193 badly in need of remodeling, 83 in considerable need of repair.

Corn cribs: 140 must be rebuilt, 176 badly in need of remodeling, 67 in considerable need of repair.

Garages: 13 must be rebuilt, 4 badly in need of remodeling, 4 in considerable need of repair.

In other words, there were 461 buildings needing complete rebuilding, 738 needing considerable remodeling, and 290 needing repair. I have often been asked to estimate the amount of money required to put the farm buildings in condition where they were in 1920. It is conservatively estimated that 20 per cent of the total value of farm buildings in Nebraska would be required to put them in first-class repair. This sum of money would represent approximately \$80,000,000.—(From the Knot Hole, a publication of the retail lumber trade of Nebraska.)

This indicates a situation that is true not alone in Nebraska but in all of the agricultural States of this Union.

We listened yesterday to the repeated argument that production costs in the case of shingles are lower in Canada than they are in the United States. I will readily admit that one can go to the report and the findings of the Tariff Commission and find, here and there, occasion for such a contention; but taking their presentation as a whole, considering it as a whole, I think there can be no doubt at all as to the fact that production costs in the shingle industry are higher in Canada than they are in the United States; and yet here we are to-day writing a tariff for the protection of an industry that is producing at less cost than are those industries which we are trying to exclude from entry into trade in our country.

The Tariff Commission, for example, has found the facts as to total costs and stated them without qualification as follows:

Without interest or selling expense the cost in Washington and Oregon is \$2.99, as compared with \$3.483 in British Columbia.

Figuring costs with interest, the Tariff Commission finds the cost in Washington and Oregon to be \$3.043, as compared with \$3.565 in British Columbia.

Including interest and selling expense, the Tariff Commission finds the costs in Washington and Oregon to be \$3.104, as compared with \$3.646 in British Columbia.

The Tariff Commission in its report on shingles shows that comparative labor costs per thousand shingles are from 10 to 12.8 per cent higher in British Columbia than in Washington and Oregon. (Tariff Commission report on shingles, pp. 46-47.)

As to raw material costs, the Tariff Commission in its report to the President, at page 8, recognizes the fact that since logs are measured on a different basis in British Columbia than in the United States, it is unfair to base costs on log prices alone, and resorts to a comparison relating to an identical raft of cedar logs consisting of 14 sections which—

Was scaled in British Columbia for sale on the open market at 495, 378 board feet and rescaled on Puget Sound for the American buyer at 408,580 board feet, which was 86,798 feet, or 17.5 per cent less. Again, a Puget Sound buyer was offered a raft of British Columbia No. 1 and No. 2 cedar logs at \$26.16 per thousand feet if sold on British Columbia scale and grading, or at \$33.18 if sold on Puget Sound grading and scaling.

The Tariff Commission goes on to say that a large part of these differences in price are due to differences in grading as well as in scaling.

At page 46 of the Tariff Commission's report, raw material cost per thousand shingles in the two countries is shown to be as follows:

Three methods were resorted to by the Tariff Commission, and in each case an excess cost for British Columbia over Washington and Oregon was found to exist, this excess ranging from 40 cents to 48.9 cents per thousand shingles. (Shingle report, p. 46.)

A very interesting comparison of labor and wage costs is shown in the brief presented by the Bloedel-Donovan Co., which operates in Washington, and Bloedel, Stewart & Welch (Ltd.), operating in British Columbia under the same management, one in Canada and one in the United States, only 40 miles apart. This comparison shows the average cost per thousand shingles in Washington to be \$2.45 as compared with \$2.92 in British Columbia. I have here a table setting forth the wages paid in the various departments which I shall ask to have included in the Record.

Mr. EDGE and Mr. DILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. NYE. I yield first to the Senator from New Jersey.

Mr. EDGE. Mr. President, I am very much interested in the comparison the Senator has just referred to, originating with the Tariff Commission. Not having had the opportunity to hear all the addresses yesterday, I am wondering whether either of the Senators from Washington has in any way refuted or explained the excess cost in Canada as compared to the United States. Has there been an explanation of that?

Mr. NYE. I think, perhaps, the Senator from Washington wants to interrupt on that very point at this time. I yield to him.

Mr. DILL. Mr. President, I simply wanted to make a statement about the argument that was being read by the Senator from North Dakota.

The Senator from North Dakota is reading from the returns of the Tariff Commission when they went into the Canadian mills and went into the American mills. After their finding that the log costs were higher in the United States, and the labor costs were higher, and the transportation costs were higher, they went into the mills and computed the cost per thousand shingles in Canada as being higher than in the United States. The reason is that in the Canadian mills they make a much larger percentage of high-grade shingles, and in the American mills they have been making a much larger percentage of low-grade shingles; and the cost of the wasted timber and the cost of making high-grade shingles are compared to the cost in the United States where they make the lower-grade shingles, and consequently they get these figures of so much per thousand. But the Tariff Commission itself, in stating wages, shows that the labor cost of running a mill with five machines is \$11.79 more per day on the American side of the line.

Mr. NYE. Mr. President, it seems to me that the proper gauge of costs of producing shingles is the cost of producing a thousand shingles in the two countries. At this point I want to call especial attention to the following table, showing the wages paid by a company doing business in both countries:

	Washington (Bloedel- Donovan Co.)	British Columbia (Bloedel, Stewart & Welch Ltd.)
Foreman.....per month.....	\$300.00	\$350.00
Sawyers (16-inch shingles, including 5X, Extra Clears, and Stars).....per M.....	.25 1/2	.28
Sawyers (18-inch shingles, Perfects and Eureka's).....do.....	.27 1/2	.30
Packing 16-inch shingles.....do.....	.15 1/2	.17
Packing 18-inch shingles.....do.....	.16 1/2	.18
Cut-off sawyer.....per hour.....	.62 1/2	.70
Block pillars.....do.....	.52 1/2	.40
Filers.....per day.....	9.00	13.50
Oilers.....per hour.....	.42 1/2	.45
Bolt splitters.....do.....	.55	.60
Clean-up men.....do.....	.42 1/2	.40
General unskilled labor.....do.....	.42 1/2	.40
Night rate for sawing.....do.....	1.01	1.02

<sup>1</sup> Per M additional in Washington.

<sup>2</sup> Per M additional in British Columbia.

Average cost per M shingles in Washington.....\$2.45  
Average cost per M shingles in British Columbia.....2.92

Mr. DILL. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. DILL. Of course, there again the Senator is quoting figures which are misleading, for the reason that the percentage of low-grade shingles cut on the American side is far greater than the percentage cut on the Canadian side. Everybody knows that the cutting of high-grade shingles commands higher prices in every respect, and, of course, as long as the Senator reads figures comparing the cost of the labor in Canada that is making the high-grade shingles as against the cost of producing the low-grade shingles, he is going to show higher costs on the Canadian side.

Mr. NYE. Mr. President, are not these the shingles which the Senator complains are competing with our shingles?

Mr. DILL. I have explained again and again that because of the higher costs of manufacturing in the States of Washington and Oregon the shingle cost is such that those who manufacture cedar there are compelled to cut the low-grade shingles to make anything out of it. On the Canadian side they do not have to pay anything for the stumpage, they do not have to pay any taxes, they do not have any investment; all they have to do is to pay the severance tax when they take the timber off. So the Senator can keep on quoting figures, but he will not change the fact that 30 per cent of the consumption in this country comes from Canada.

Mr. NYE. Mr. President, the Senator only demonstrates that he wants a tariff, that he wants protection, for an industry that is not producing the grade of shingles that are competing with the Canadian shingles. He wants to keep out these better grades so essential to the better grades of construction in the United States.

Mr. DILL. The Senator, of course, knows that if we have any tariff at all, if we can get any protection at all, we will make the high-grade shingles, just as they do in Canada.

Mr. NYE. That is a very easy statement to make, but where our American producers are not competing, or not even en-

deavoring to compete, with the Canadian trade, I fail to see any promise for the future in the shingle industry on this side of the line in so far as a better grade of shingles is concerned.

Mr. DILL. The Senator knows they are competing and are selling millions of American high-grade shingles, doing it today, and they have on hand shingles right now they can not dispose of, but the high-pressure salesmanship, based on the reputation of the past, has enabled the Canadian manufacturer to dominate the market.

Mr. NYE. Is the Senator prepared to say how much more costly would be the production of high-grade shingles in Washington and Oregon than of the kind we are getting?

Mr. DILL. A very considerable increase. I think about \$1.50 per thousand on comparative sizes.

Mr. NYE. Mr. President, we argued this point in some of its phases yesterday, at which time I pointed out that the difficulty on the American side was depletion of the better grades of cedar, and was the sale by the timber interests to the shingle manufacturers of their lesser grades of cedar logs, and now, if we are writing tariffs upon shingles in the United States, I fail to see how that can work to the benefit of the shingle manufacturer rather than of the timber producer. In other words, the timber owners are not going to make available to the shingle manufacturer any better grade of timber than they are now making available without charging exceedingly more for it than the trade is being required to pay now.

Mr. DILL. Mr. President, the Senator's statement to the effect that the cedar of the States of Washington and Oregon is inferior to the cedar of Canada is an incorrect statement. I think I am prepared to prove by the Tariff Commission's report that that cedar is just as good as any other. The Senator can continue to make such statements, but the fact is that the reason for the production of low-grade shingles on the American side is not the quality of the cedar. It is the fact that they are compelled to keep down their costs, so that they can make some profit out of their cedar, whether worked into shingles or not.

Mr. NYE. What does the Canadian do with the lower grade of timber?

Mr. DILL. They do not even have to take it off the land. Their leases and their licenses to take off Government timber do not require them to take off anything but high-grade lumber. On the American side they take it all off, because if they do not take it off they have to burn it.

Mr. NYE. In other words, they are doing in Canada just what our timber owners did in the United States until they were more carefully restricted.

Mr. DILL. That is what they did formerly in the United States, but they can not do it any longer at a profit.

Mr. FLETCHER. Mr. President, as I remember, the Senator gave \$2.40 as the cost of manufacturing these shingles on this side. Can the Senator tell us about the retail price of those shingles, both Canadian and American?

Mr. NYE. I am not prepared to do that this morning, but they are competing with our American production. In fact, the Canadian shingle is selling in the United States for more money than the American shingle brings.

Mr. FLETCHER. I understand that, and I was trying to get at the two prices.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WALSH of Massachusetts. I think I can give the Senator from Florida the information he desires.

In November of 1928 the grade of red-cedar shingles were quoted by domestic mills in carload lots at \$3.80 to \$3.90 per thousand; British Columbian shingles of the same grade were quoted at \$4 per thousand. This spread in prices has continued to date. Domestic Perfections were quoted at \$4.60 to \$4.80, and British Columbia Perfections at \$5 per thousand. Prices during the last year have been more favorable to producers, shingles raising from \$1 to \$1.25 per thousand.

Mr. DILL. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I yield.

Mr. DILL. I am very glad the Senator from Massachusetts read that, because I have a letter in my hand written October 4, by the Krauss Bros. Lumber Co., dealers in shingles. Such statements as have just been made are the very things that mislead men who study this subject. The Senator from Massachusetts has just quoted some figures as to the prices of Canadian shingles being higher than those of American shingles. Here is a letter written to the Robert Gray Shingle Co., of Hoquiam, Wash., and this is what is stated:

We are not going to complain at any price you place on your shingles. You have always been very fair with us. It is our thought, however, that some of your prices are a little high.

Take Royals, for example, priced by you at \$8. We have just bought British Columbia Royals at \$7.25.

So they quote one figure but they sell at another—

Against \$4 on Perfections—

Which is another high-grade shingle—

Have just purchased British Columbia at \$3.65, Clears at \$2.30, \$3.10.

These are the practices of the trade. Here is a letter written by the sales manager of the Krauss Bros. Shingle Co. to an American manufacturer which shows that when they make a sale of shingles they cut below their quotations, and destroy our market.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. COPELAND. I simply want, again, to call attention to the statement I made yesterday. The large purchaser of shingles in my State prefers to buy the British Columbia shingles at a higher price because he says they are better graded and manufactured than the Washington red-cedar shingles.

Mr. NYE. Mr. President, there was much said yesterday, in the argument in support of a tariff on shingles, regarding oriental labor used in British Columbia.

While it is true that orientals are employed in British Columbia cedar mills, they can not be considered a factor in any tariff discussion, inasmuch as they receive as high or higher wages than white labor. Mr. A. C. Edwards, representing a large group seeking a duty on shingles, in testifying before the Senate Finance Committee, admitted that orientals received approximately the same wages as all others, and that he based his oriental-labor argument solely on the fact that orientals are competing with white labor on terms of equality.

The Tariff Commission, in its report on the red-cedar shingle industry, at page 22 disposes of the oriental-labor subject with these words:

For the same work it will be noted orientals do not receive greatly different rates from whites. Orientals are employed in eight positions, three of which they receive a higher wage than do white laborers.

As to other items in determining the differences in cost of production in the two countries the Tariff Commission has shown that mill expenses average higher in British Columbia than in Washington and Oregon. General and administrative expenses are found to be 4.6 cents per thousand shingles in Canada, as compared with 4.2 cents per thousand in the United States, and that interest on investment in fixed assets are higher in British Columbia than in Washington and Oregon. And the Tariff Commission further reports that selling expenses or the average for all grades produced are higher in British Columbia than in Washington and Oregon.

From all of this it must be readily appreciated that production costs in Canada are higher than are production costs per thousand shingles in Washington and Oregon, and we thus find ourselves at this time confronted with the request to write a tariff on a product, the production of which costs more in the foreign field than it does in the domestic field, a rather unusual request so far as tariff considerations go, it must be admitted. I doubt if another experience of its kind exists with relation to any item thus far considered in this tariff bill.

With production costs thus disposed of and Canadian costs shown to be higher than the American costs, it ought to be enough to repeat that since the prices of shingles are approximately 64 per cent and 62 per cent in excess of pre-war prices compared with an average increase of 37.4 per cent for the entire body of commodities, governmental interference with the price of shingles, if interference is in order at all, should be directed not to their increase but to their reduction, and this in plain justice and only in fairness to the producers of other commodities, and especially to those who would be home builders if building prices permitted, and to those farmers who would be improving their homesteads if building prices permitted.

Then we have heard the argument about transportation costs, but I am not going to try to argue that point this morning, because I know there is a desire to hasten to a conclusion and to a vote upon the item.

So much for production costs. Yesterday our pity was excited by a demonstration, through the reading of income-tax returns, of the sorry life of the shingle manufacturers. I am ready to admit that, giving attention to those income-tax returns with which each Senator has been supplied, one is struck by the fact that shingle manufacturers are extensive losers by virtue of their operations. But I wondered, since it was demonstrated in the case of manufacturing company after manufacturing company, how they could take a loss year after year and year after year as they have done and still remain in business. I could not understand it. I did not understand it yesterday. I think I understand it a little better this morning.

I have before me a compilation of the shingle manufacturing companies doing business in the State of Washington showing gross sales and their profits or loss as indicated in their income-tax returns through the years running from 1922 to 1928. Invariably in the cases of these companies losses are shown. In some few cases there are profits through the 6-year period of all the way from 1 per cent up to one case of 14 per cent, but that case includes only the one year's operations. The presentation makes a bad showing. There can be no doubt about it. But I would point out at this stage the case of one company in particular. Did the Senator from Washington [Mr. DILL] have the income-tax return advanced by the Hillview Shingle Co.? Did he quote from that yesterday?

Mr. DILL. Yes; I believe I did.

Mr. NYE. In the case of the Hillview Shingle Co., on page 223 of the returns, is shown a net loss in the 6-year period of \$40,705, or a percentage of loss amounting to 4.8 per cent. That itself does indicate that the industry is in a sorry plight, but I would point out that the gross sales of the Hillview Co. for the period from 1922 to 1928 are shown in a table which I have here. While it is true the table shows a decline in total output between 1922 and 1928 the figures are of relative value only provided it can be shown that at the same time imports increased in corresponding ratio. The gross sales of the Hillview Co. in those six years were, starting with 1922, in round numbers, as follows: \$171,000, \$103,000, \$142,000, \$130,000, \$115,000, \$82,000, \$99,000, respectively.

With respect to wages and salaries it is of interest to note in 1928 the Hillview Co. paid in salaries and wages, exclusive of compensation of officers, the sum of \$42,826.08. At the same time, however, it paid in compensation to officers, and, of course, deducted this sum in its income-tax return, \$12,940.50. Thus in the case of this company, while wages represented approximately 42 per cent of the value of the output, the salaries paid to officers approximated more than 13 per cent, or practically one-third, of the wages paid to labor. For the year 1927 wages and salaries were \$40,829.96, or approximately 48 per cent, compared with compensation to officers of \$12,940.50, or approximately 14 per cent.

In 1926 wages and salaries were \$59,000, or approximately 48 per cent, while compensation to officers was \$8,600, or approximately 6 per cent. In 1925 wages and salaries were \$48,750, or approximately 37 per cent, while officers drew compensation of \$6,200, or 5 per cent. In 1924 wages and salaries were \$45,400, or approximately 32 per cent, and compensation of officers was \$8,600, or approximately 6 per cent. In 1923 wages and salaries were \$32,400, or 32 per cent, compared with compensation of officers of \$7,500, or approximately 7 per cent. In 1922 wages and salaries were \$41,600, or approximately 24 per cent, and compensation of officers was \$12,900, or approximately 7 per cent.

What I want to point out, Mr. President, is that it is of interest at least to note that although there has been a gradual increase in the ratio of wages between the years 1922 and 1928, at the same time the ratio of salaries paid to officers has been comparable with the exception, perhaps, of only one year, so that for every dollar of increased wages paid to the laborers, the company had generously rewarded its officers by increased compensation all along the line, and this in the face of the alleged depression growing upon the industry year after year, of which we have heard so much. It is more pertinent to know, perhaps, that the salaries to officers may be regarded in a large sense as net profits which, however, the company is able, perhaps, skillfully to obscure under this title.

Mr. DILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. NYE. I yield.

Mr. DILL. Does the Senator contend that the salaries of the officers are excessive? Does he think 7 per cent is an excessive amount to pay officers?

Mr. NYE. An industry that has lost in production in the last six years the way the shingle industry has, certainly has not the occasion and has not the justification to pay the high salaries that are being paid in that business when it is going full blast.

Mr. DILL. Does not the Senator realize that the work of the officers to make their company pay is often far more burdensome and deserves more pay at a time when they are losing money than when they are making money?

Mr. NYE. Oh, no.

Mr. DILL. Does not the Senator realize that the struggle of the officers to try to make the business pay justifies their receiving a decent salary?

Mr. NYE. No; I do not agree with that statement.

Mr. DILL. I do not believe the Senator from North Dakota can turn to any other line of business and find so small a per-

centage of the gross sales used in the payment of salaries of officers as in the shingle industry. I think it is a remarkably low amount that is being paid for salaries of officers.

Mr. NYE. Let us take the case of another company which is listed with the companies which have lost excessively during the last six years. The returns of this company are found at page 544. I shall not mention the name of the company. This company shows a net loss in the 6-year period of \$5,076, or 0.19 per cent of loss in that period. But the president of this company before the Senate Finance Committee last summer testified that his company was losing money in recent years and that in the past five years they made a profit only in 1925, whereas their income-tax return for that particular year shows them credited with a loss of \$2,327.

But that is hardly the point I want to make. The point I do want to make is that the income-tax returns do not bear witness necessarily to the actual condition prevailing in the shingle-manufacturing industry. To make that clear I want to point out that this same company which claims a loss through the 6-year period of \$5,076, when it comes to make presentation of its status to its bankers and to its credit houses—and in this case to R. G. Dun & Co.—quite forgot the losses it suffered during that period. I would point out that this company which through a 6-year period in its income-tax returns shows a net loss of \$5,076, in its report to Dun & Co. shows that in 1923 its net worth was \$161,761.60, while in 1928 its net worth is found to have increased to \$230,746.87.

In the face of that fact what, if anything, do these income-tax returns in the case of the shingle-manufacturing industry mean? To me they no longer mean anything. To me they appeal only as a demonstration of a situation that does not wholly exist. I would point out, Mr. President, that in 1928 the same company made its report to Dun & Co. of net profits of \$21,124.68 while in its income-tax return it showed a net profit of \$7,139.

I am not going to dwell any longer upon that subject, but certainly it does appear that the income-tax returns are demonstrated as having no bearing and no meaning in connection with tariff consideration at this time.

Mr. DILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. NYE. I yield.

Mr. DILL. I take it, then, that the Senator believes that the Senate, in asking for the income-tax returns, was merely wasting its time?

Mr. NYE. Oh, no; not at all. I think they are of exceeding great value, but we must take them all with a grain of salt and with some measure of understanding of how the game is played.

Mr. DILL. I am very much interested in the Senator's attempt to explain away the losses, but I do not agree with him.

Mr. NYE. A company that shows in its income-tax returns a profit of over \$5,000 and then in its demonstration to the credit houses shows a profit of \$15,000 or \$20,000 or \$30,000, certainly explains away the demonstration made in the income-tax returns which are filed by it.

Mr. COUZENS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. NYE. I yield.

Mr. COUZENS. I know the Senator wants to be perfectly fair. I think he ought to point out that the returns made in the income-tax returns are realizable returns while returns made to a banker might not be realizable returns, but rather a writing up of values without any realization of actual profits.

Mr. NYE. Yes; but a study of the returns relating to this particular company discloses that there is an item in their income-tax return of "all other deductions" in the year 1928, amounting to \$31,435.72, and taking the six years and the demonstration of all deductions in those six years, they total \$158,000 of deductions unexplained, deductions which, if we knew of them and knew what they were, might better enable us to determine the real plight of the shingle manufacturers as demonstrated in those returns.

Mr. STEIWER. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oregon?

Mr. NYE. I yield.

Mr. STEIWER. Can the Senator tell me whether the concern now being discussed is one that owns its own timber?

Mr. NYE. I understand it is not. I think the Senator would know better as to that if he would refer to the particular company in the returns.

Mr. STEIWER. I have not the returns here and I am not able to identify it by the page reference which the Senator gave. I was wondering if the Senator is in a position to tell the Senate the method of accountancy required in the set-up under

the internal revenue law and whether or not the returns show the actual profits of the current year for which the return is made.

Mr. NYE. Of course they do not.

Mr. STEIWER. And whether or not it is influenced by appreciation or depreciation or loss, as the case may be, or depletion occasioned from the cutting away or removal and use of timber. I ask that question because in making proper announcement of any of these income-tax returns respecting any timber or lumber company whatever, unless we have information concerning that fact, we will not be able to draw any proper or safe conclusion as to profits or loss.

Mr. NYE. That is quite true. Let me refer again to the case of the company we have been discussing. We have before us to influence us, if it can be made to so do, a demonstration that this company through a 6-year period suffered a net loss of \$5,076, and yet we find in their report to R. G. Dun & Co. a demonstration of an increase in their net worth from 1923 to 1928 of the difference between \$161,000 and \$230,000. That is the increase in their net worth through that period, when they are demonstrating to us and when we are being appealed to to believe that they are in a deplorable condition.

Mr. STEIWER. Let me make a further suggestion in connection with the same matter, still reiterating that I do not know the identity of the company and do not know anything about its business. They might own a valuable factory, they might own water frontage, loading facilities, or something of that character, the property being subject to reappraisal. It seems to me entirely consistent that the company might claim an appreciation of its general worth and still on its actual operations lose substantial sums of money by reason of the demoralized condition of the shingle market. Therefore let me suggest to the Senator that, unless we can have some information as to the reason for the depreciation and also the reason for the reported losses, it is at least of little point to criticize the returns or the figures or to draw conclusions to the effect that these people are actually making money. I say that because, although I do not know the particular concern, I do know that, generally speaking, it is the understanding everywhere in the Northwest that those engaged in this industry are, with a few exceptions, all losing substantial sums of money.

Mr. NYE. Mr. President, if we are to write a tariff ostensibly for the purpose of alleviating the depression existing in the shingle manufacturing industry, let me ask will that tariff reach those manufacturers? Would they enjoy the benefit of it, or, rather, would the benefit accrue to those who are selling to the manufacturers timber from which they are manufacturing the shingles? My contention is that a tariff on shingles would help, in the main, the owners of the cedar timber, and those owners alone.

Mr. DILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. NYE. I yield to the Senator.

Mr. DILL. Since that subject came up on yesterday I have secured some further information. I want to call attention to the fact that there are to-day about 5,000 owners of timberland in the State of Washington containing cedar, and probably more than that in the State of Oregon. At present there are from 25 to 30 large timber-owning companies, but there are a tremendous number of owners of small tracts of timber, and the timber owners are to a large extent dependent upon the small mills. If we shall follow the course which the Senator said we should adopt in this case, then all the small mills will be driven out of business, and a few big mills must handle the entire production. Of course, every small owner will derive a benefit because of the fact that in the Northwestern States practically every farm has been paid for largely by the quantity of timber which the farmers have sold off, and they expect to continue to improve their land by selling more of their timber. They are dependent almost entirely upon the small mills. I have yet to understand why the Senator continually says that a tariff on shingles will benefit only the large timber owners in face of the fact that when we had a tariff on shingles the small mills made the profit.

Mr. NYE. Mr. President, we went over that ground, I thought, quite thoroughly yesterday. However, along that line I wish to point out to the Senate at this time a few facts with relation to the large map which hangs on the rear wall of the Senate Chamber and the chart that accompanies it. The map was furnished, Mr. President, by Porteous & Co., forest engineers, of Seattle, Wash. If they are engineers who are not reliable, I should certainly like to know of it at this time. My understanding, however, is that they are a firm of the highest repute.

Mr. DILL. Will the Senator give the date when that information was secured?

Mr. NYE. It was secured last spring.  
 Mr. DILL. The map was not secured, then, was it?  
 Mr. NYE. The information contained on that map is up to March 1, 1929.  
 Mr. DILL. If any engineer says that the Weyerhaeuser Co. owns 60 per cent of the standing timber, that is a misstatement.  
 Mr. NYE. Let me explain that point. It will be explained by a reading of the letter which accompanied the map, the letter being from Porteous & Co. It is as follows:

PORTEOUS & Co.,  
 Seattle, Wash., November 10, 1929.

HON. GERALD P. NYE,  
 Senate Office Building, Washington, D. C.

DEAR SENATOR NYE: I am sending you herewith a large wall map of the western part of the State of Washington showing in colors the state of this land with respect to forest growth and the ownership of lands timbered.

This map was compiled from material secured from the county tax records of the respective counties as of March 1, 1929. The data have to a considerable extent been checked by field inspection and I have personally been keeping annual records for the last 10 years, compiling each year a record of the lands logged over during the preceding 12 months.

Because of the substantial size of operation necessary to log timber in the interior of Washington, the long rail haul, the necessity of constructing extensive privately owned logging railroads, and other factors, it is not practical for individual owners to operate on small and scattered tracts of timber. Therefore in cases where ownership does not consist of a solid block, but, for example, of alternate sections, the remaining timber being held by individual owners, this control of the entire area is practically assured the large individual owner.

The data secured and shown on the map indicate that the large owners of timber and their approximate holdings are roughly as follows (it should be understood that in some cases the total does not indicate ownership necessarily, but substantially control either through ownership, location of operation, and character of near-by timber):

	Per cent
Weyerhaeuser Timber Co. and associated interests.....	60
Milwaukee Land Co.....	8
Long-Bell Lumber Co.....	6
St. Paul & Tacoma Lumber Co.....	5
Bloedel-Donovan Lumber Mills.....	4
Northern Pacific Ry. Co.....	4
Mason County Logging Co. and associated interests.....	3-4
Charles R. McCormick Lumber Co.....	1½
Scattered ownership and State lands.....	8½-9½

Yours very truly,

NORMAN PORTEOUS.

I ask to have incorporated in the RECORD at this point in my remarks an explanation of the large map which hangs on the wall.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

LEGEND OF THE WALL MAP IN THE SENATE CHAMBER

According to a survey made this year by forest engineers, there remain in the 16 counties of western Washington commercial stands of privately owned timber on 2,367,945 acres. This timber is being logged off at the rate of 147,000 acres per year which at the present rate of cutting, assuming that the entire forest stand can be utilized, will entirely deplete the remaining private resources in 16 years.

The checked colored portions of this map show the remaining timber in private hands in western Washington. Different colors show ownership and how control of raw material for the shingle and lumber industry is concentrated.

The percentages controlled by various groups are as follows:

	Per cent
Weyerhaeuser Timber Co. and associated interests.....	60
Milwaukee Land Co.....	8
Long-Bell Lumber Co.....	6
St. Paul & Tacoma Lumber Co.....	5
Bloedel-Donovan Lumber Mills.....	4
Northern Pacific Railway.....	4
Mason County Logging Co. and associated interests.....	3
Charles R. McCormick Lumber Co.....	1½
Scattered ownership and State lands.....	8½

NOTE.—Seventy per cent of the shingle and cedar lumber mills in the Puget Sound area are log-buying mills and buy their logs on the open market.

Speaking specifically of the Puget Sound region which must be considered separately, the picture is striking. The total log output into Puget Sound is in the neighborhood of 2,000,000,000 feet annually. Only four major lumber companies operating in this region are in a position to supply themselves with raw materials for their own operations for any length of time. These are the Bloedel-Donovan Lumber Mills, Charles R. McCormick, Weyerhaeuser Timber Co., and the St. Paul & Tacoma Timber Co. Practically all other lumber manufacturers are dependent on the open log market for their log supply.

It is reliably stated that logging companies which now supply 40 per cent of the log market will be out of business in less than five years due to the exhaustion of timber. At the present time the concentration of timber ownership and logging control is so great as to practically place control of the log market in the hands of less than 10 unified groups. With the companies which are now reaching the end of their resources out of business the larger groups will have a virtual monopoly of the Puget Sound log market, except to the extent to which an unrestricted supply of logs from British Columbia will tend to keep an open and fair market.

Details of the ownership of this timber as disclosed by the map and the rate at which it is being cut are as follows:

1. Very little logging is now being done in Whatcom County. The only large stand of high-grade timber in this county (600,000,000 feet) is owned by the Sound Timber Co., an affiliated Weyerhaeuser organization. Most of the remaining timber is held by small owners in scattered tracts and is in rough mountainous country.
2. The total timber stand in Skagit County is estimated at 5,500,000,000 feet. The Sound Timber Co.—Weyerhaeuser affiliated—holds about 2,000,000,000 feet.
3. The Lyman Timber Co. holds about 500,000,000 feet in Skagit County, which is being logged at the rate of 50,000,000 feet a year.
4. The English Lumber Co. holds about 500,000,000 feet in Skagit County, largely hemlock and cedar, being logged at the rate of 50,000,000 feet a year.
5. E. K. Wood Lumber Co. holds about 500,000,000 feet in Skagit County on which they have not yet started logging.
6. Bloedel-Donovan Lumber Mills owns about 250,000,000 feet in Skagit County.
7. The remaining timber in Skagit County is in scattered ownership.
8. Kenyon Lumber Co. owns 500,000,000 feet in Snohomish County. Not yet operating.
9. Sauk Lumber Co., one of the Butler affiliated companies, is operating in a tract of about 1,000,000,000 feet in Snohomish County, which at the present rate of operation will last 15 years.
10. Monroe Logging Co.—Butler affiliated company—hold about 250,000,000 feet of timber in Snohomish County, and through their location have best access to 500,000,000 feet more, which they are logging at the rate of 75,000,000 feet a year.
11. Miller Logging Co. holds about 200,000,000 feet in Snohomish County and has best access to another 200,000,000 feet of Weyerhaeuser timber.
12. Wallace Falls Timber Co. owns about 200,000,000 feet in Snohomish County. This company is closely connected with the Butler logging interests.
13. Snoqualmie Falls Lumber Co.—Weyerhaeuser Co.—owns, and through location controls approximately 7,000,000,000 feet in King County.
14. White River Lumber Co., together with Weyerhaeuser companies, have about 4,000,000,000 feet of timber in King and Pierce Counties.
15. Buckley Logging Co. is operating on a tract of 100,000,000 feet in King and Pierce Counties, which it is cutting at the rate of 50,000,000 feet a year.
16. Manley Moore Co. is logging a tract of 250,000,000 feet of Northern Pacific timberland in Pierce County, cutting at the rate of 50,000,000 feet a year.
17. St. Paul & Tacoma Lumber Co. own or control a block of about 5,000,000,000 feet in Pierce County.
18. Cascade Timber Co. operate on a tract of 200,000,000 feet in Pierce County, purchased from Weyerhaeuser, which it is cutting at the rate of 100,000,000 feet a year.
19. West Fork Logging Co. is logging a tract of Northern Pacific timber in Pierce County containing approximately 1,000,000,000 feet.
20. Weyerhaeuser Timber Co. owns and controls about 9,000,000,000 feet of timber in Pierce and Thurston Counties, which is being cut at the rate of 250,000,000 feet a year.
21. Carlisle Lumber Co. owns about 1,000,000,000 feet in Thurston County, which it is cutting at the rate of 70,000,000 feet a year.
22. Milwaukee Land Co. owns about 1,000,000,000 feet of timber in Lewis County, which it is holding for sale.
23. Weyerhaeuser Timber Co. owns and controls the biggest and best body of timber in the State, which totals 15,000,000,000 feet, and which will be cut at the rate of 300,000,000 to 400,000,000 feet a year. (Lewis County.)
24. Schafer Bros. Logging Co. own about 1,000,000,000 feet, which at the present rate of cutting will last about four years. (Lewis County.)
25. Charles R. McCormick Lumber Co. have about 600,000,000 feet in Cowlitz and Lewis Counties, which they are cutting at the rate of 100,000,000 feet a year.
26. Long-Bell Lumber Co. own about 6,000,000,000 feet in Cowlitz County and Lewis County, which they are cutting at the rate of 500,000,000 feet a year.
27. In Clark County there is practically no timber remaining in private hands.

28. In Wahkiakum County the remaining timber is all owned by Crown Willamette Paper Co., and is used by them for pulp.

29. In Pacific County the Weyerhaeuser Timber Co. owns or controls more than 60 per cent of the total timber in private hands, the holdings being about 15,500,000,000 feet. The remaining timber is owned by small owners and the State.

30. Mason County Logging Co. owns about 1,250,000,000 feet in Grays Harbor and Thurston Counties. (Affiliated with Simpson Logging Co. and Phoenix Logging Co.)

31. Clemons Logging Co. (Weyerhaeuser Co.) operating on a tract of 2,000,000,000 feet, cutting at the rate of 250,000,000 feet a year in Grays Harbor and Pacific Counties.

32. Saginaw Timber Co. (Weyerhaeuser associate) operating on tract of 600,000,000 feet in Grays Harbor County.

33. Weyerhaeuser Timber Co. owns or controls 2,500,000,000 feet of timber in Grays Harbor and Mason Counties.

34. Schafer Bros. own about 350,000,000 feet in Mason County, which will be cut out in two years.

35. Greenwood Logging Co. (connected with Miller Logging Co.) own about 200,000,000 feet in Mason County.

36. Simpson Logging Co. (affiliated with Mason County Logging Co. and Phoenix Logging Co.) own approximately 1,500,000,000 feet in Mason and Grays Harbor Counties.

37. Polson Logging Co. owns about 1,500,000,000 feet in Grays Harbor County. (Associated with Merrill-Ring.)

38. Donovan & Corekery own about 150,000,000 feet in Grays Harbor County and have best access to 150,000,000 feet of Weyerhaeuser timber, which they will cut out within three years.

39. Cispus Logging Co. own about 100,000,000 feet in Kitsap County. Charles R. McCormick Lumber Co. owns about 400,000,000 feet in Kitsap and Mason Counties.

40. Stimson Timber Co. owns 50,000,000 feet in Mason County.

41. Riverside Timber Co. own 800,000,000 feet in Kitsap and Mason Counties.

42. Phoenix Logging Co. (associated with Mason County Logging and Simpson Logging Cos.) own about 1,000,000,000 feet in Mason County.

43. Canal Logging Co. owns about 100,000,000 feet in Mason County.

44. McCormick Lumber Co. have about 1,000,000,000 feet in eastern Jefferson County.

45. Crescent Logging Co. (affiliated Butler concern) owns and controls about 1,000,000,000 feet in Jefferson County.

46. Merrill & Ring own and control about 1,000,000,000 feet in Clallam and Jefferson Counties.

47. Milwaukee Land Co. owns about 7,500,000,000 feet in Jefferson and Clallam Counties. (Subsidiary of Milwaukee Railway.)

48. Bloedel-Donovan Lumber Mills own about 3,000,000,000 feet in Clallam County.

49. Henry Larson Lumber Co. owns about 700,000,000 feet in Clallam County.

50. Crescent Lumber Co. (Butler affiliated) about 1,000,000,000 feet in Clallam County.

51. Washington Pulp & Paper Co. own about 700,000,000 feet in Clallam County.

While the information given in the above tabulation is not exactly accurate, because it necessarily deals with private information which can not be secured from any public records, it does give a generally

correct and characteristic picture of the timber ownership situation in Washington. Many of the individual logging companies listed operate as part of a group which is held together through interlocking stockholders, officers, long-term contracts, and other similar business understandings. This permits even closer control than would be indicated by considering the ownership of each individual company. For example, only approximately 40,000,000,000 feet of timber is held in the name of the Weyerhaeuser Timber Co., but subsidiary corporations, affiliated groups, and logging companies operating on Weyerhaeuser lands operate on long-term contracts which permit, to a large degree, Weyerhaeuser control, raise the Weyerhaeuser total in excess of 60,000,000,000 feet. Other examples are as follows:

Phoenix Logging Co., Simpson Logging Co., and Mason County Logging Co., which operate substantially under unified control, hold together three and three-fourths billion feet of timber.

Substantial unified control of the Lyman Timber Co., Sauk River Lumber Co., Monroe Logging Co., Sultan Railway & Timber Co., Crescent Timber Co., and Wallace Falls Logging Co. place under one director 4,450,000,000 feet of timber.

The Polson Logging Co. and the Merrill & Ring together control two and one-half billion feet of timber. Other large holders are: Milwaukee Land Co., 8,500,000,000 feet; Long-Bell Lumber Co., 6,000,000,000 feet; St. Paul & Tacoma Lumber Co., 5,000,000,000 feet; Bloedel-Donovan Lumber Mills, 3,250,000,000 feet; Chas. R. McCormick Lumber Co., 2,000,000,000 feet; Schafer Bros. Logging Co., 1,350,000,000 feet; Carlisle Lumber Co., 1,000,000,000 feet.

It is interesting to note in this connection that three of the outstanding proponents of a tariff on logs, Mark E. Reed, Joseph L. Irving, and R. W. Condon, represent interests which grouped together own or control in excess of 10,000,000,000 feet of standing timber.

The above refers to the situation in Washington in general.

CLARENCE L. BAHL.

Mr. NYE. The map and the letter from Porteous & Co. disclose the percentage of timberland held by holding companies. I want to make it clear that it is not necessarily land owned by companies; the land may be owned by associated interests; it may be owned by individuals who are first, last, and all the time dependent upon the operations of the larger timber interests.

Mr. DILL. Mr. President—

Mr. NYE. I yield to the Senator from Washington.

Mr. DILL. The facts of the matter are, according to the men in charge of the Weyerhaeuser interests, that 27 per cent of the standing timber is owned by those interests in Washington and 4 per cent in Oregon, instead of anything like 60 per cent. What the Senator states, of course, is just the conclusions or theory of these engineers as to the control of the timberlands, but the actual ownership of the Weyerhaeuser interests was 27 per cent in Washington and 4 per cent in Oregon.

Mr. NYE. I have a table giving the timber acreage in western Washington. It is so lengthy that I am not going to take the time of the Senate to read it, but I do want it made a part of my remarks at this point, and I send it to the desk.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

The table referred to is as follows:

County	Acreage logged from Mar. 1, 1919, to Mar. 1, 1923	Acreage logged from Mar. 1, 1923, to Mar. 1, 1924	Acreage logged from Mar. 1, 1924, to Mar. 1, 1925	Acreage logged from Mar. 1, 1925, to Mar. 1, 1926	Acreage logged from Mar. 1, 1927, to Mar. 1, 1927	Acreage logged from Mar. 1, 1927, to Mar. 1, 1928	Acreage logged from Mar. 1, 1928, to Mar. 1, 1929	Remaining privately owned timberlands on Mar. 1, 1929 (acres)	Years of logging remaining on basis of acreage logged in 1928
Whatcom <sup>1</sup> .....	11,800	6,400	2,240	2,400	4,080	1,280	1,060	74,320	70
Skagit <sup>1</sup> .....	27,880	11,840	10,370	7,350	9,360	10,400	7,756	144,114	18
Snohomish <sup>1</sup> .....	36,080	9,610	8,890	8,880	8,560	6,320	5,460	67,260	12
King.....	40,960	11,360	10,800	10,040	14,040	17,840	13,660	162,910	12
Pierce.....	38,280	11,040	7,720	10,320	11,560	8,760	7,940	186,840	23
Thurston.....	21,720	9,680	7,560	11,800	10,880	11,520	12,860	70,980	6
Lewis.....	41,760	13,360	19,880	13,920	16,360	12,200	14,560	414,320	28
Cowlitz.....	14,000	5,320	7,290	5,080	10,320	8,050	10,034	248,236	25
Clarke.....	10,000	3,180	2,480	1,940	1,660	2,480	1,570	11,690	8
Wahkiakum.....	16,000	5,400	1,640	1,880	2,475	2,240	3,360	33,525	10
Pacific.....	33,240	11,880	8,360	7,880	8,320	10,720	10,440	272,120	26
Grays Harbor.....	83,880	28,080	29,760	25,400	27,690	25,250	24,880	170,050	6
Mason.....	29,900	10,800	15,920	9,040	14,080	10,080	9,820	63,150	6
Kitsap.....	2,000	3,200	3,480	3,120	4,590	8,920	4,940	11,990	2
Jefferson <sup>2</sup> .....	11,240	2,120	1,640	3,760	3,170	3,800	4,900	129,960	27
Clallam <sup>2</sup> .....	15,040	6,460	4,400	5,770	5,640	12,320	13,760	306,480	22
Western Washington.....	433,780	149,730	141,930	128,580	152,785	152,180	147,000	2,367,945	16

<sup>1</sup> Large percentage of remaining timber is hemlock on rough, mountainous country.

<sup>2</sup> Large percentage of remaining timber is hemlock.

NOTE.—These figures are an impartial story of the true timber situation in western Washington. The amount of lands timbered, outside of the national forests, was arrived at by taking lands assessed as timberlands and then checking these areas in the field. The Forest Service claims 60,000,000,000 feet for the national forests. This would give 8 years additional life to the industry on the present rate of production. However, 60 per cent of the timber in the national forests is pulpwood.

The cut-over areas have been compiled from actual logging operations and recapitulations made each year. This is the only authentic compilation in existence and represents a vast amount of detail work each year.

PORTEOUS & Co., Forest Engineers.  
NORMAN PORTEOUS.

Mr. NYE. Mr. President, in this case, as has been clearly demonstrated to me, the ownership of the large timber companies is 91 per cent of the whole. Let us say that only 50 per cent of the timber of western Washington is held by eight or nine companies. Then, I argue, that any tariff that is written upon shingles is going to accrue in large part to the benefit of those eight or nine companies. How badly do they need it? How desperately do they need protection upon their products? I will point out that the income-tax returns of the logging and timber interests as furnished to us by the Treasury show profits at the very lowest possible ebb. In the case of 15 companies during the years from 1922 to 1928, Mr. President, a percentage of profit each and every year is shown. In 1922 that group profit was 20.1 per cent; in 1923 it was 25.4 per cent; in 1924 it was 7.4 per cent; in 1925 it was 14.9 per cent; in 1926 it was 19.4 per cent; in 1927 it was 15.4 per cent; and in 1929 it is 15.1 per cent.

Mr. DILL. Mr. President—

Mr. NYE. I yield to the Senator from Washington.

Mr. DILL. The Senator does not claim that those are shingle companies, does he?

Mr. NYE. I do not, but I claim that these are the owners of timber from which the shingle manufacturer must buy his product if he is going to continue manufacturing shingles.

Mr. DILL. But the Senator is familiar with the report of the Commissioner of Internal Revenue for this year in which he selects 37 representative lumber corporations and shows that their losses were in excess of income in every year since 1922 except 1925.

Mr. NYE. I confess that I have not seen that statement.

Mr. DILL. I placed in the RECORD yesterday a statement that the Collector of Internal Revenue had selected 37 representative lumber companies in the Northwest and had showed that in all of the years, except 1925, there was a substantial loss, and in 1925 the profit was less than \$3,000 per firm. It seems to me that the Commissioner of Internal Revenue's selection of 37 corporations which he calls representative is more dependable than a list of some 15 companies that happen to be selected from the report showing income-tax returns.

Mr. NYE. All right; but let me say that these are the leading companies engaged in the timber business in western Washington.

Mr. DILL. How does the Senator identify them as leading companies?

Mr. NYE. I hope the Senator will not embarrass me at this time by forcing a disclosure of the names.

Mr. DILL. I think a list of representative companies is better than a list of leading companies.

Mr. NYE. I am sure that this is a list of representative loggers and timber owners. Here we have a demonstration, Mr. President, in the case of one of these companies in the 6-year period showing gross sales of \$86,000,000 and a profit of \$25,000,000, or 29.4 per cent for their six years' operations.

In 1928 this company, whose record in so far as the income-tax returns are concerned is disclosed, found at page 1813 of the income-tax returns, had gross sales of \$16,000,000 and a profit of \$4,365,000, or roughly of 25 per cent. Yet, Mr. President, this profit accrued, this profit was created after that particular company had charged off in 1928 in taxes paid, for example, \$1,681,000; after charging off, if you please, also for depreciation and depletion \$1,277,000. No, Mr. President; if we must write tariffs, certainly we are not going to write them for people who are getting on as well as are these timber loggers and timber owners at this time.

Mr. President, I hasten to conclude. I think the Senate ought, by all means, to oppose a duty on shingles. It ought to be opposed, because the shingle industry would not profit by it, but the timber owners, in all probability, would be those who profit, and the timber owners do not need it. Where shingles were protected in years gone by by a tariff production is shown to have fallen off. It fell off in three years something like 3,000,000,000 shingles.

Mr. President, we ought to oppose a duty on shingles because a tariff will only hasten the depletion of a resource which is rapidly vanishing. The same engineers who have prepared the map on the wall and the figures accompanying it have demonstrated also that if logging, lumbering, and manufacturing operations shall continue in future years as they have in the past year and on the same scale as during the past year it will be only a matter of 16 years before the forests of Washington and Oregon will be depleted.

Third, we ought to oppose a duty on shingles because the American shingle manufacturer is producing a shingle which the trade will not buy at any price, and a tariff on shingles will therefore only add to building costs, and such costs are

going to be fastened in large part upon the backs of the American farmers.

Fourth, we ought to oppose a duty on shingles because through a tariff we would further injure whatever market we now have in Canada and because we would further decrease that measure of friendly cooperation which should exist. We want to continue our trade relations with Canada in so far as we can, and in the case of shingles certainly we ought to enable Canada to supply them to us if Canada can supply us what we need and what we can not get at home.

Fifth, we ought to oppose a shingle tariff because of the demonstration made by the staining shingle industry that they will be unable in the face of a tariff to get the kind of shingles they need in their line of business in order to enable them to compete in the existing market.

Sixth, we ought to oppose a duty on shingles because it will further increase building costs to the farmers and to builders generally in the United States.

Seventh, because it will injure the shingle industry through further loss of business to the manufacturers of patent roofings; and

Eighth, because a tariff can not be justified, since Canadian costs are so clearly demonstrated as being in excess of production costs here in our own country.

Finally, these timber, lumber, and shingle tariffs in general, to my mind, are nothing more than instruments to hasten depletion of our own timber resources at prices completely out of keeping with worth and costs, completely out of keeping with the true investments of the owners of timber, and it is proposed to do this at the expense of the farmers and the home builders of America.

Mr. DILL. Mr. President, I shall take only a moment.

I shall not attempt to answer in detail the argument of the Senator from North Dakota; but I hold in my hand a list of almost 100 shingle mills in the State of Washington that have been forced to go out of business for the reason that the immense Canadian importation made it impossible for them to keep their mills running part of the time and in idleness part of the time. I think that is a more eloquent answer to the argument of the Senator from North Dakota to the effect that great profits have been made in the industry by these people than anything I could say; and I ask that this list may be printed in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Washington shingle mills that have discontinued operations for financial reasons in the period from January, 1925, to September, 1929, inclusive

Name of concern	Location	8-hour capacity	Year discontinued
		Thousands	
Acme Shingle Co.....	Aloha.....	25	1927
Ajax Shingle Co.....	do.....	60	1927
Arrow Beach Shingle Co.....	Arrow Beach.....	100	1929
H. E. Bailey Shingle Co.....	Quinalt.....	60	1927
Bayside Shingle Co.....	Everett.....	420	1925
Birmingham Shingle Co.....	Birmingham.....	100	1928
Bucoda Shingle Co.....	Bucoda.....	300	1927
Burke Shingle Co.....	Anacortes.....	360	.....
Burns Shingle Co.....	Eagle Falls.....	120	.....
N. Campbell Mill Co.....	Ballard.....	600	1927
Carlsborg Mill & Timber Co.....	Carlsborg.....	100	1925
Cascade Shingle Co.....	Duvall.....	120	.....
Case Shingle Co.....	Raymond.....	1,000	1928
Casey Childs Shingle Co.....	Sedro Woolley.....	200	1929
Clinton Shingle Co.....	Clinton.....	50	1929
Coast Shingle Co.....	Aberdeen.....	100	1925
Cooperative Shingle Co.....	Port Angeles.....	100	1925
Joe Creek Shingle Co.....	Aloha.....	90	1927
Delta Shingle Co.....	Tacoma.....	90	1925
De Zenard & Blair Shingle Co.....	Sequin.....	60	1927
East Hoquiam Shingle Co.....	Hoquiam.....	180	1928
H. B. Eddy & Son.....	Toledo.....	50	1929
Edmonds Mutual Mill Co.....	Edmonds.....	200	1926
Edwards Mill Co.....	Everett.....	150	1928
Everest Shingle Co.....	Everett.....	300	1928
Fall Creek Shingle Co.....	Humtulpis.....	100	1925
J. Ferrier Shingle Co.....	Cosmopolis.....	180	1926
Finke Bros. Coöperage Co.....	Kalama.....	400	1926
Fishnaller & Co.....	Carlisle.....	90	1928
Garner Shingle Co.....	Everett.....	180	1928
Gold Medal Shingle Co.....	Anacortes.....	75	1928
Green Shingle Co.....	Quillcene.....	120	.....
Hamilton Mill Co.....	Hamilton.....	200	1926
Hartley Shingle Co.....	Everett.....	180	.....
Hart Shingle Co.....	Aloha.....	60	1925
Hawley Mill Co.....	Milltown.....	250	1926
Hillview Shingle Co.....	Montesano.....	200	1929
Irving-Dougherty Co.....	Aberdeen.....	300	1929
Johnson & Swanson.....	Preston.....	8	1927
Kelso Shingle Co.....	Kelso.....	100	1926

Washington shingle mills that have discontinued operations for financial reasons in the period from January, 1925, to September, 1929, inclusive—Continued

Name of concern	Location	8-hour capacity	Year discontinued
		Thous-	
		sands	
Keystone Shingle Co.	Raymond	200	1928
Kosmos Shingle Co.	Kosmos	80	1926
Lake Union Mill Co.	Seattle	25	1928
W. H. Large Shingle Co.	Summit Lake	70	1927
LaShance Shingle Co.	Aberdeen	35	1923
Linde Shingle Co.	Linde	75	1928
McCaughy Mill Co.	Fortson	180	
McKeever Shingle Co.	Aberdeen	70	1927
McLaughlin Timber Co.	Ballard	240	1927
Merkley Massie	do	120	
Menzel Shingle Co.	Darrington	120	
Mero Shingle Co.	Mourn	35	1923
E. Mongrain	Skamokawa	75	1926
Monroe Bros.	Northport	60	1929
Edmonds Mutual	Edmonds	120	1927
Mutual Mill Co.	Marysville	300	1927
Napoleon-Campbell	Ballard	390	
Newberg Shingle Co.	Skamokawa	150	1923
Nichols Shingle Co.	South Bend	80	1929
North Bay Shingle Co.	Grass Creek	125	1925
Northern Shingle Co.	Blaine	300	1926
Peters & Popejoy Shingle Co.	South Bend	120	1928
Puget Sound Sawmills	Bellingham	250	
Putman Shingle Co.	Skamokawa	400	1925
Quinault Shingle Co.	Quinault	90	1926
Rainbow Shingle Co.	Edmonds	80	1925
Raymond Shingle & Timber Co.	Raymond	90	1925
Red Cedar Shingle Co.	Markham	250	1927
Jack Reinhart	Callow	100	1926
Reveton Lumber Co.	Agnew	60	1925
Ripley Shingle Co.	Aberdeen	250	1927
Rockway & Webster	Fortson	125	1925
Sacajawea Shingle Co.	Tacoma	125	1926
Saginaw Shingle Co.	Blaine	200	1927
Sather Shingle Co.	Carlisle	180	1927
Shull Lumber & Shingle Co.	Kalama	250	1925
Silver Shingle Co.	Montesano	180	1925
South Bay Cedar Co.	Markham	300	1928
South West Manufacturing Co.	Raymond	390	1926
Joe Suthesby	Salsop	60	1927
Tyee Shingle Co.	Edmonds	60	1925
Ultican Cedar Co.	Aberdeen	150	1927
United Cedar Shingle Co.	Blaine	600	1925
Victoria Mill Co.	Milltown	200	1927
Walliter Shingle Co.	Agnew	30	1927
Warm Beach Mill Co.	Warm Beach	120	1927
Williams Creek Shingle Co.	Elma	90	1926
C. Winter	Skamokawa	75	1926
Wishkah Cedar Co.	Aberdeen	200	1926
Woodland Shingle Co.	Ballard	120	1929

Mr. BLACK. Mr. President, I desire to ask the Senator from North Dakota [Mr. NYE] a question in line with his remarks.

I was very much impressed on yesterday to learn that asbestos shingles are subjected to a tariff duty. Of course, asbestos shingles compete with wooden shingles. Does the Senator contemplate an amendment to place asbestos shingles upon the free list?

Mr. NYE. May I ask the Senator where asbestos shingles are under the present law?

Mr. BLACK. Under a ruling of the Secretary of the Treasury, according to the tariff report, asbestos shingles are subjected to a duty on the basis that they are made of asbestos. Therefore, under the general tariff schedule with reference to that item, they are subjected to a tariff duty.

I have not made up my mind on the shingle matter; but it seems to me a little strange for us to insist on keeping wooden shingles on the free list unless at the same time we take some action to place on the free list shingles that compete with them in the trade and in industry. I do not know just what the plans are with reference to an effort to place the competitive products upon the same basis as wooden shingles.

Mr. NYE. Mr. President, asbestos shingles, I understand, are taken care of in the sundries schedule of the pending tariff bill. I do not pretend to know anything about asbestos shingles. The situation concerning them may be entirely different from the situation of the wooden-shingle industry, and yet in a general way I should say that it is my impression that asbestos shingles are not entitled to protection; but that is a matter that we ought to wait until we get to, and give it our specific study and attention.

Mr. BLACK. I asked the Senator the question because, as I understand, asbestos shingles have a tariff duty of 1 cent per pound. They do compete with wooden shingles; there can be no question about that; and so far as there is a fair competition upon the same basis, no one can complain. It would seem a little strange, however, for us to take the attitude that one grade of shingles should be protected by a tariff while the other is on the free list.

Mr. WALSH of Massachusetts. Mr. President, as a member of the subcommittee of the Finance Committee that heard the evidence of the petitioners for a protective tariff duty upon shingles, I feel it my duty to submit to the Senate a few observations. I shall be very brief, not only because the subject has been exhaustively and very ably presented already by the Senator from North Dakota [Mr. NYE], representing the opposition to placing shingles upon the dutiable list, as well as by both the Senators from Washington, representing the views of those in favor of a protective duty, but also because of the fact that "the noblest Roman of them all," the Senator from North Carolina [Mr. OVERMAN], has just entered the Chamber; as both he and his distinguished colleague [Mr. SIMMONS] admonished a few of us who were expecting to speak upon this subject to be sure to continue the debate until they returned from some exacting public duty that called them temporarily from the Capitol.

Fortunately, most of the facts in this case are not in dispute. When the great mass of conflicting evidence submitted is analyzed, the issue becomes a very narrow one. The United States Tariff Commission fortunately made an exhaustive study and a report upon shingles as late as 1927. I think it can be said that they presented the issues involved very completely from every angle.

I regret very much the policy of our Tariff Commission in being unwilling to take a positive position on many of these controverted industrial questions. Perhaps there is something to be said for the position they take, namely, that they do not propose to write in any of their reports anything detrimental to any American industry, but certainly such a policy does not assist us in fixing tariff duties when it comes to matters like casein and china clay and shingles, where upon the one side or the other we are told that there is a difference between the imported and domestic article in quality and that there is also a difference in price. It seems to me that some agency of the Government ought to be able to give us definite, clear, unmistakable evidence as to quality and as to difference in price. It may be beneficial to American producers to refuse to reach a decision on such controversial matters, but surely it is not helpful to American consumers, who pay heavy duties upon imports that they must purchase because of their inability to buy in the domestic market due to unsuitableness or inferior quality.

This attitude of the Tariff Commission puts upon us the duty and burden of trying to determine too hastily the facts in controversial questions and makes it more difficult to determine when and how much protection is justifiable.

Mr. President, let us see what facts we can agree upon in this case now before the Senate.

We can agree, I am certain, upon the American consumption, and we can agree as to what is the extent of imports of shingles—the imports are just about one-third of the domestic consumption. In 1927 the domestic production was 6,862,385,000 shingles. In the same year the imports were 2,066,065,000 shingles.

The next fact we can agree to is that the domestic production is largely produced in the State of Washington, 85 per cent of it; about 6½ per cent in Oregon; and the other 8½ per cent is scattered throughout the country.

We can also agree that practically the entire importation is from British Columbia, although there are some importations from other parts of Canada.

We can also agree upon the fact that there are two kinds of shingles; that there is a high-grade shingle and a low-grade shingle. We can agree further that the high-grade shingles all come from Canada; or, rather, to be more accurate, the importations from Canada are practically all shingles of the high-grade type. We can also agree upon the fact that of the shingles produced in Oregon, about 20 per cent are of the high-grade quality, and about 80 per cent are of the low-grade quality.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I gladly yield to the Senator.

Mr. DILL. I can not agree to that.

Mr. WALSH of Massachusetts. Will the Senator state the figures, then?

Mr. DILL. Nearer 35 per cent.

Mr. WALSH of Massachusetts. Very well; my figures may be of an earlier date.

Mr. DILL. I want to say to the Senator that in the recent production the percentage of high-grade shingles is larger than it was previously.

Mr. WALSH of Massachusetts. Of course it is impossible in a mass of testimony of this kind to keep in mind accurately the figures, especially where there is much contradiction; and further, in reading over the testimony and making compilations one is naturally influenced by the testimony of one witness as against the testimony of another witness, and there is certain to be some differences; but it is true, and I am sure Senators

will agree, that there is a larger percentage of the so-called inferior shingles made in Washington than of the high-grade shingles. That the high-grade shingle production in Washington has increased recently is probably true, and if so, undoubtedly due to the public demand increasing for that grade.

Mr. DILL. I just want to say to the Senator that there are to-day about 70,000,000 high-grade American shingles available for sale and distribution for which we can not find a market at the present time.

Mr. WALSH of Massachusetts. There is another fact that I am ready to concede after having heard this testimony, namely, that there is some depression in the domestic shingle industry, and I intend to state what the evidence leads me to find as the causes of that depression.

First of all, the evidence tends to show that the depression is confined largely to the branch of the shingle industry which has to go out into the market and purchase its stumpage; that the branch of the domestic shingle industry which owns its own timber is generally prosperous; so that the depression is confined to the group of producers who have to go into the open market and buy stumpage, which varies more or less from time to time in price. Indeed, stumpage prices are tending to increase constantly.

The reasons for the depression among some domestic producers I have summarized as follows:

First, the exhaustion of the log-timber supply near the smaller mills, forcing these small mills to shut down because of inability to pay the increased transportation expenses to get the stumpage that is constantly becoming more and more removed from their mills. In other words, the cost of production is constantly increasing to these producers.

Secondly, the market for low-grade shingles is declining and competition by substitute shingles, such as asphalt composition roofing, asbestos, slate, and tile is affecting more the low-grade shingle than the high-grade shingle, which, as I stated earlier, is the shingle chiefly produced in Washington.

Third, the passage of antishingle ordinances in the cities throughout the country has tended to reduce the consumption of all shingles, but particularly the low-grade shingles.

Fourth, the general farm depression through the country has had a tendency to reduce the consumption of shingles.

It is a very singular thing—and I wonder if the Senators from Washington will agree with me—that there has been a reduction in the production of domestic shingles between 1923 and 1927 of about a half a billion, and there has likewise been practically the same reduction in the importation of shingles from Canada during that period of time. In other words, the tendency to use substitutes for shingles, and these other factors to which I have referred, have resulted in decreasing the consumption in the United States, and that decreased consumption is about evenly divided between the domestic shingle and the shingle imported from Canada.

A good deal has been said during this tariff debate about marginal producers. There is no doubt about it that not only the marginal producer of all products in this country, but the marginal retailer, is in a sad plight. He is doomed, I fear, to extermination. Regrettable as it is, the operations of the larger producer—the one with capacity through larger production and large capital to reduce the cost of production—have resulted in the gradual elimination of the marginal producer, and I think the situation in Washington and Oregon is not unlike the situation in the bituminous coal section of the country. The tendency has been to drive out constantly the smaller bituminous coal producer, and has left the market and is leaving it more and more to the larger producer, just as in the retail mercantile life of our Nation, the smaller retail merchant is gradually and steadily being eliminated, and the retail business is becoming massed in the larger producers. To a degree, that has been a contributing factor in the depression in the State of Washington. I recall, as a youth, a large number of small manufacturers of wood chairs throughout New England. They have been exterminated through the same reasons that the smaller shingle producers of Washington have been destroyed, namely, by the depletion of their near-by raw material of stumpage and the ability of the few larger producers to manufacture more efficiently and at a lower cost. Especially have the producers who did not own their so-called raw material—timber—been wiped out.

Mr. President, in my judgment the real issue here, if we are agreed upon these facts, is this: Is there a difference in quality between the Canadian shingle and the domestic shingle?

Mr. DILL. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Just a moment. Secondly, is there a difference in the price of the Canadian shingle compared with the domestic shingle? In other words, is what is claimed true, that the imported shingle actually costs more than the

domestic shingle, and that the domestic consumer is willing to pay that increased cost because he believes the Canadian shingle to be of a superior quality, and therefore in the end cheaper?

I recognize that we are now getting into a field of considerable controversy. I recognize that I can produce evidence here from the records showing that there is not any difference in quality, and showing that the prices are the same. Weighing all the evidence, I can only give the Senate the conclusion reached by my four associates and myself on the subcommittee that heard all the evidence.

I yield to the Senator from Washington.

Mr. DILL. Mr. President, I only wanted to call the attention of the Senator to the fact that the Tariff Commission, after studying the whole situation, said that the quality of the high-grade shingles on the American side was just as high as the quality of the high-grade shingles on the Canadian side, but that the American producers made a smaller percentage of high-grade shingles, and that that is because of the way they are cutting and not because of the kind of timber.

Mr. WALSH of Massachusetts. Mr. President, I think the Senator will agree that those who handle the Canadian shingle in this country have been better selling agents than those who handle the domestic shingle. Their advertising campaign has been very extensive, and they have been able to get a very substantial grip upon the American market, by representations, at least, of the fact that the imported shingle is superior to the domestic shingle. The public seems to have the impression that both in appearance and durability the Canadian shingle is superior. I think the evidence tends to confirm that judgment.

Usually, when we start to find out whether a case is made out for tariff protection, we look to obtain certain definite evidence to justify the levying of a protective tariff duty. We ought to produce, to justify protective duties, some evidence showing that the imports are pushing down and lowering the price of the domestic article so that the domestic producer is operating at a financial loss, obliged to reduce wages and reduce employment.

The conclusion one must arrive at, if the imported article is selling at a little advance in the price over the domestically produced article, is that there is something in the quality of the imported article that causes it to have a market in the United States; otherwise the consumer would not be willing to pay a slightly advanced price. In such cases the reason why the domestic market is not controlled by the domestic producer is because the domestic article is not in quality equal to the imported.

I am fortunate in not having to depend upon my own judgment with respect to these conclusions. The five members of the subcommittee, three of them Republican and two of them Democrats, have reached the same conclusion about the evidence. There is no division here on this question between the members of the two political parties. We reached the conclusion that upon the evidence, by and large, the Canadian importer had an advantage in the American market, because, whether it was so or not, he did and was able to give the impression to the buyers of shingles that his shingles had qualities that were somewhat superior to those of the domestic shingle. We also reached the conclusion that, covering a long period of time, the domestic consumer was willing to pay more money and did pay more money for the Canadian shingle than he did for the domestic shingle. Further, we believe, regardless of tariff duties, the public will continue to buy Canadian shingles in large quantities because of this conviction of superiority.

A great deal of evidence was presented as to why a better shingle could be made in Canada than in this country, and what did we find? I submit what is a fair conclusion to draw from the evidence. In Canada shingle making is a primary business. In Washington shingles are a by-product. Someone told me that yesterday; that was admitted in the debate.

Mr. JONES. Surely nobody from our State admitted that.

Mr. WALSH of Massachusetts. Of course, the evidence before us was largely partisan—from the importer, the buyers of the Canadian shingle, and the domestic producer—but the evidence tended to show that the method of making the shingle, using the log from which to make the shingle in the first instance, was the Canadian system, while the system in Washington was to get from the logs lumber first and shingles afterwards. Also in the grading of the shingles the better grading seemed to favor the imported Canadian shingle rather than of the domestic shingle.

I am not going to enter into the field of the difference in the costs of production. The Senator from North Dakota went into that at length. But this is certain, granting the most liberal concessions possible to the domestic producer, there can not be and there is no evidence anywhere to justify a tariff duty of \$1 upon a thousand shingles on any basis of difference in costs

of production here and in Canada. One dollar per thousand is what the 25 per cent duty would mean. Approximately the price of shingles per thousand is \$4. Again I am approximating; it may be \$3.90; it may be \$4.25. The 25 per cent duty means a tariff of a dollar which the users of shingles must pay. This morning and yesterday we have been arguing here the question as to whether or not the Tariff Commission's facts show that the cost of production was more in Canada than in the United States, or was more in Washington than in Canada.

Taking into consideration that very fact, that there is a controversy about it here—not taking sides, now; not even agreeing fully with the Senator from North Dakota that the cost of production in Canada was even less than here—considering the fact that there is a difference of judgment here between the partisans on one side and the other, in heaven's name, how are we going to justify, upon the theory of increased cost of production of the domestic article as compared with the imported article, the levying of a duty of a dollar upon every thousand shingles—not 10 cents, not 25 cents, not 50 cents, but a dollar?

I shall not enter into a further important question, namely, as to whether or not there is sufficient timber in Washington to maintain the shingle industry here in the United States for a reasonable number of years in case we shut out all Canadian shingles. There may be a conflict of evidence there, but I think everybody will agree that the day and the year when the supply will be exhausted can be determined pretty accurately, so that Washington will have no timber to be made into shingles. There is some evidence before us that that is about 16 years, assuming that all the cedar timber, even the cedar that is mixed in with other woods, is cut.

Some way or other in this entire tariff debate we have been losing sight of the consumer. We have heard a good deal of talk about depressed industry here and depressed industry there and unemployment here and unemployment there. I now call attention to the fact that the consumer has a very vital interest in tariff duties. Whatever duty is levied here will be effective. There is no doubt about that. Where the importations are of the volume that they are in the case of this product, if the American consumer is still going to purchase Canadian shingles he is going to pay the price that Canada asks, plus the duty, and the domestic producer is going to have his price increased up to the level of the tariff-duty wall that we fix in this tariff bill.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I am very glad to.

Mr. DILL. Does not the Senator think that if a tariff duty is placed on shingles the competition of the substitutes which are lower in price will necessarily keep down the price because of competition?

Mr. WALSH of Massachusetts. I would say frankly to the Senator that I think it is possible that that factor would have an effect in keeping down the price. I generously concede that would be a factor.

Mr. DILL. The effect of the tariff will not be to raise the price of high-grade shingles so much as it will be to give the Americans a larger control of the American market and decrease the importations, when the consumers learn that to-day the American high-grade shingle is the equal of the Canadian high-grade shingle.

Mr. WALSH of Massachusetts. I think the Senator has put his thumb upon the most vital thing in the whole case, the need of educating the American public to a realization of the fact that the domestic shingle is as good as the Canadian shingle. They are not so educated to-day and I think the Senator will agree to that. The advertising, whether rightly or wrongly, the nature of the advertising, the extent of the campaign that the Canadian shingle people have put forth in this country in insisting upon superior quality has given the market for high-grade shingles largely to the Canadian importers.

Mr. JONES. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Washington?

Mr. WALSH of Massachusetts. I yield.

Mr. JONES. My recollection is, and I think I showed it yesterday, that the Tariff Commission states that the public seem to be appreciating more and more that fact and that the use of high-grade shingles of domestic manufacture is increasing. When I say "high-grade shingles" I mean those on a par with the high-grade shingles of Canada.

Mr. WALSH of Massachusetts. The Senator may be correct. I ought to repeat that the Tariff Commission goes far in one direction and make statements which lead one to come to one conclusion upon one side of the question, and then they make statements upon the other side that bring one back and almost lead toward the other direction. It is due to their

policy of avoiding criticism, which I think is a mistaken policy. I would not want the Tariff Commission to go out of the way to injure any American industry, but I do think there are undisputed facts which the Tariff Commission ought to be able to give us without any hesitancy or without any doubt. The consumers have an interest in tariff legislation as well as producers. All through their report there is in my judgment a clear intimation—they do not say it in words—that there is not a case for tariff protection and yet we can pick out single lines and single sentences that lead to a different conclusion. A tariff duty on shingles is a very serious proposition for the consumer. I am going to close by calling attention to what the effect of the tariff will be upon the consumer if it becomes effective. I asked to have prepared for me an estimate of the additional cost of building a cattle-feeding barn under the proposed duty on shingles and the duties levied by the House on cedar lumber and ship-lap. We are interested now only in the duty upon shingles. It is estimated by the expert that 40,000 shingles would be used in the building of a cattle-feeding barn of average size, that those shingles would cost at the mill \$160, that a duty of 25 per cent if reflected would add \$40 to that cost, and that the retail advanced price would probably be an additional one-third or about \$13 to \$15. That would mean that the farmer desiring to use shingles in the building of a barn would have to pay approximately \$55 more if this duty in the House bill is levied for the shingles upon his barn than he would if shingles were upon the free list.

Mr. JONES. Mr. President, does not the Senator really think that would be a pretty large dairy barn that would take 40,000 shingles?

Mr. WALSH of Massachusetts. I can only say that it is represented to me as an average size farm barn.

Mr. JONES. I do not claim to be an expert in matters of that kind, but I can not think so.

Mr. WALSH of Massachusetts. It is possible the estimate is based upon a larger sized barn than the average barn.

Mr. JONES. It must be.

Mr. WALSH of Massachusetts. But I asked for an estimate based upon the average size of barn.

Mr. DILL. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the junior Senator from Washington?

Mr. WALSH of Massachusetts. I yield.

Mr. DILL. The Senator, of course, wants to be fair. The Senator, I know, is an advocate of certain tariffs on certain items. I can not help reminding the Senator that many things upon which a tariff has been applied are things which the farmer would be compelled to pay a tariff quite frequently because he is compelled to buy them quite frequently; but the builder of the barn the Senator talks about would not pay it more than once in 25 or 30 years, which makes it necessary to consider such figures as the Senator has mentioned in terms of a period of years rather than in terms of the ordinary things upon which he will pay a tariff every time he purchases them, which is vastly more often than the number of times he would purchase shingles.

Mr. WALSH of Massachusetts. I think the Senator has very properly called attention to the fact that the figures which I gave, even if true, would mean that the farmer would not have to pay that sum every year, but only at such periods of time as he had to reshingle his barn, which would depend upon a good many factors, including weather conditions, location of the barn, and so forth.

But here are some figures that can not very well be disputed. I now inquire, What is the additional cost to all consumers each year in America for shingles that they buy if the proposed duty be effective? We know the domestic production, we know the imports, we know the total consumption, we know the value of shingles to-day, and we know what a 25 per cent tariff will be, if effective, and here are the figures.

The total value of all shingles imported is \$7,600,000, of domestic production, \$22,550,000, making a total value of about \$30,000,000. A tariff of 25 per cent would mean an increased cost of \$7,537,500 to the domestic consumers, assuming that they bought the shingles at the production price. If we add the extra one-third which is the estimate of the retailing costs, we find that the total effect of the tariff duty upon shingles, if effective, means a drain upon the American consumers of \$10,150,000 annually. That means not only an increase of costs for building a home or a barn, but it means increased costs for rents, because after all the rental of a home must be somewhat dependent upon the cost of building it.

I shall not take the time to attempt to show the effect upon the consumers of duties levied by the House upon lumber, which would make these figures staggering and enormous; but fortunately the majority members of the Finance Committee,

accused of many, many sinister designs, showed in this instance that there is some vestige of progressiveness and liberal democracy left, and so they recommended the removal of all these duties.

Mr. EDGE. Mr. President—

Mr. WALSH of Massachusetts. I yield to the Senator from New Jersey.

Mr. EDGE. The Senator indicated that he was going to give the figures of the importations of shingles compared to domestic production. If he has them there, will he give them?

Mr. WALSH of Massachusetts. I have already given them. The importation of shingles is one-third of our production, but the exact figures are 1,965,000,000 shingles imported and 6,443,000,000 produced in this country.

Let me state briefly what I think is the difficulty here. In the State of Washington the producers are not in the cedar-shingle industry except as a by-product. They are, apart from other wood products, primarily in the cedar-lumber industry, and all the better cedar logs they saw into lumber, because that pays much better than shingles. The left-over cedar logs they make into shingles—using the easy and out-of-date method of sawing—and so they produce an inferior grade or kind of shingles. These circumstances of relative profits will not be changed by a duty on shingles.

In British Columbia, for one reason or another, they are in the cedar-shingle business, giving it a primary consideration; and they produce a quarter-sawn shingle that lies flat in use and affords a superior fire risk.

The proposal to put a duty on cedar shingles, whatever may be said about differences in cost of production and so forth, is really nothing but an attempt to compel American consumers of cedar shingles to use an inferior shingle that they do not want to use. It is one more illustration of the new tariff doctrine of using duties, even for articles long on the free list, to promote the use of domestic substitutes.

Mr. President, I think it is unnecessary to prolong debate and discussion. The conclusion reached by the five members of the subcommittee who heard all the evidence was that a case for tariff protection had not been made out and that shingles should remain on the free list. The domestic shingle industry will not benefit materially, but the consumer will be obliged to pay dearly if protective duties are levied. The great consuming public are entitled to some protection, and in this instance the best way to protect them is to keep shingles on the free list.

Mr. WALSH of Massachusetts subsequently said: Mr. President, when I addressed the Senate earlier in the day I omitted to ask unanimous consent to have incorporated in the Record some letters, brief, and tables which I have here. I now submit that request.

The VICE PRESIDENT. Without objection, it is so ordered. The tables are as follows:

*Cost of shingle and cedar-lumber tariff*  
(Figures are approximate)

	Approximate value	Tariff at 25 per cent	Plus one-third for retailing
Imports of shingles (1927)..... 1,965 million.....	\$7,600,000	\$1,900,000	\$2,535,000
Domestic production..... 6,443 million.....	22,550,000	5,637,500	7,515,000
Total cost of tariff on shingles.....		7,537,500	10,150,000
Cedar lumber:			
Imports..... 50 million feet.....	2,000,000	500,000	667,000
Domestic production..... 250 million feet.....	10,000,000	2,500,000	3,333,000
Total cost of tariff on cedar lumber.....		3,000,000	4,000,000
Total cost of tariff on shingles and cedar lumber.....		10,537,500	14,150,000

NOTE.—One-third added for retailer's profit covers his gross overhead and operating expenses.

*Additional cost of building a cattle-feeding barn under proposed duties on shingles, cedar lumber, and ship-lap*

	Cost at mill	25 per cent duty
Cedar lumber (surfaced 2 sides), 867 feet.....	\$43.35	\$10.84
Cedar ship-lap, 2,800 feet.....	51.80	12.95
Drop siding, 3,300 feet.....	181.50	45.37
Shingles 5X, 40,000 shingles.....	160.00	40.00
Additional cost of tariff at mill.....		109.16
Plus additional gross handling charges of retailer based on price increase (one-third).....		36.40
Total cost of duty on cattle-feeding barn.....		145.56

SUMMARY BY SENATOR WALSH OF MASSACHUSETTS OF EVIDENCE UPON THE TARIFF ON SHINGLES

Shingles of wood. (See Summary of Tariff Information, 1929, p. 2557.)

1922 act. Free (par. 1660).

H. R. 2667. Twenty-five per cent ad valorem.

Finance Committee. Free (par. 1761, Senate bill).

REMARKS

The Red Cedar Shingle Industry is the title of a report to the President by the Tariff Commission of an investigation made under its general powers. The investigation included a study of the cost of producing shingles in the States of Oregon and Washington, and in the Province of British Columbia, Canada, and an economic study of conditions.

DOMESTIC PRODUCTION

Mills in the State of Washington produced 84.5 per cent, and mills in Oregon 6.5 per cent of the total production of shingles reported for the United States in 1927. Practically all of the shingles cut in these two States are of red cedar. Production amounted to (total):

	Shingles
1924.....	6,862,385,000
1927.....	6,443,868,000

IMPORTS

Ninety-nine per cent of the imports come from Canada and 87 per cent of the production there is in British Columbia. Imports amounted to:

	Shingles
1924.....	2,567,749,000
1927.....	2,066,065,000

Roughly, imports one-third of domestic production.

EXPORTS

Exports for shingles are relatively small in comparison with imports. Statistics of exports follow:

	Shingles
1924.....	29,000,000
1927.....	87,000,000

REMARKS

There are two grades of shingles, namely, the high-grade edge-grain shingle and the inferior slash-grain wooden shingle. Eighty per cent of the edge-grain shingles are produced in Canada costing more than the comparable American shingle.

If the shingle industry of Washington and Oregon is suffering from depression it is not because prices are so low on imported shingles that they can not get the business. The answer is rather to be found in the fact that customers do not want the kind of products they manufacture and do want the products which are manufactured in Canada. Then, too, the market for shingles has been adversely influenced by the increasing competition of other roofing materials, such as slate, tile, asbestos, and more especially asphalt and other composition roofing. The building ordinances of many cities and towns prohibit the use of wooden shingles, restrict their use to suburban areas, or provide that only high-grade shingles, meeting certain specifications, may be used. This is a condition that a tariff can not remedy. The free list is the proper home for such a commodity. A revision of manufacturing processes and merchandising methods is the solution of this difficulty, not a tariff which will still further depress the market for high-grade edge-grain shingles by an increase in the retail price.

The effort spent in perfecting the manufacture of high-grade shingles and the production of that type of shingle almost exclusively gives the British Columbian industry an advantage (1) because the demand for high-grade shingles is less affected by competition from composition roofings than is the demand for lower grades, and (2) because the demand for high-grade shingles is less subject to extreme fluctuation in price than that for low-grade shingles. The American shingle is theoretically the equivalent of the British Columbia shingle, but in grading shingles and lumber a large amount of material is rapidly handled and, unless great care is exercised, a certain amount of the low-grade stuff is put into a shipment. That has been one thing that has injured the Oregon and Washington shingle. The Canadian has taken great pains with the grading of his shingles, and thus eliminated the 5 or 6 per cent of low-grade shingles found in the American bundles.

Logs in British Columbia are used first to make shingles, while in the Northwest logs are used first for the production of cedar lumber; and, secondly, or as a by-product, for the making of shingles; and that is one major reason why the domestic shingle is inferior to the British Columbia shingle. The Canadian producer can resist the temptation to use his best logs in making cedar lumber for the Oriental markets; the American producer can not. British Columbian mills have established a reputation that enables them to obtain from 10 to 40 cents more per thousand for shingles than do Washington and Oregon mills and more recently even to 75 cents. In November of 1928 the XXXXX grade of red cedar shingles were quoted by domestic mills in carload lots at \$3.80 to \$3.90 per thousand; British Columbian shingles of the same grade were quoted at \$4 per thousand. This spread in prices has continued to date. Domestic Perfections were quoted at \$4.60 to \$4.80, and British

Columbia Perfections at \$5 per thousand. Prices during the last year have been more favorable to producers, shingles raising from \$1 to \$1.25 per thousand.

The Tariff Commission's report proves conclusively that costs of production are higher in British Columbia both on the average and on special grades than they are in Washington and Oregon. As an example of production costs, according to the findings of the United States Tariff Commission in its report to the President on the red-cedar shingle industry, it costs \$3.68 to produce 1,000 No. 3 Perfects in Oregon and Washington and \$3.85 in British Columbia.

It has been urged that there is noticeable discrepancy in labor costs because of the use of oriental labor in British Columbia, it being cheaper. Forty-five per cent of the total labor employed in British Columbia is oriental. Oriental labor predominates only in packing, in which work the Chinese excel and frequently command higher wages than white labor. Any labor differential is slight.

In the matter of transportation, the domestic and Canadian industries are on an equality, as the rail freight rates and shipping rates to the leading shingle consuming markets of the United States are, in general, the same from mills in British Columbia as from those in Washington and Oregon, except that California, Nevada, New Mexico have a preferential rate of about 10 cents per 100 pounds.

**WHY DOMESTIC PRODUCERS DO NOT MAKE MORE HIGH-GRADE SHINGLES**

In Washington and Oregon shingles are produced largely in combination mills which produce both cedar lumber and shingles. The manufacture of shingles is usually secondary to the manufacture of cedar lumber. These mills usually utilize the better part of their low-grade logs and the high-grade logs for the manufacture of clear cedar lumber, and the poorer sections of the logs and the poor logs are cut into shingle bolts. High-grade shingles can not be cut from this kind of material. These producers make a good profit from their cedar lumber and are content with a fair market for their low-grade by-product, slash-grain shingles.

Their shingle mills which do not manufacture cedar lumber either buy rafts of low-grade logs for use in manufacture of shingles, or buy high-grade rafts and export the better logs and keep the poorer logs for use in manufacturing shingles. This practice of exporting logs has increased tremendously in the last few years, as is evidenced by the following table:

*Exports from United States of cedar logs and round timbers*  
(Source: Foreign Commerce and Navigation of the United States)

	1,000 feet	Dollars
1922	49,989	1,866,017
1923	82,103	3,340,339
1924	104,460	3,101,663
1925	107,790	3,120,146
1926	138,463	3,594,893
1927	186,976	4,111,897
1928	261,520	5,952,968

This means not only is there a lack of material for high-grade shingles, but is the result of this practice, and shingle mills have frequently been unable to get sufficient logs to continue operations.

**REASONS WHY THERE SHOULD BE NO TARIFF ON SHINGLES**

First. It is estimated by forest engineers that we have remaining in the United States a cedar supply sufficient for only 15 years at the present rate of consumption. A tariff on shingles will hasten the day when we will be totally dependent on imports for our domestic needs.

Second. The stained-shingle industry, which has done much to rebuild the market for wood shingles lost to the patented roofing materials, will be irreparably harmed by a tariff, as it will be unable to get sufficient high-grade shingles to meet the demand without paying the duty, and payment of the duty is practically impossible.

Third. A duty will increase the cost of shingles to the consumer, and particularly to the farmer, who uses over 70 per cent of the domestic consumption, an amount they can ill afford to pay.

Fourth. It will eventually injure the American shingle industry through the loss of its market to other roofing materials.

Fifth. It will injure our trade relations with our best customer and kindly neighbor—Canada.

Sixth. It may produce retaliatory measures that will destroy a valuable market for our fruit and vegetable growers.

Seventh. A tariff can not be justified by cost differences or price disadvantages. The report of the United States Tariff Commission, based on its exhaustive study of the industry, does not justify any duty.

In conclusion, let it be repeated that a revision of manufacturing processes and merchandising methods is the solution of this difficulty, not a high tariff. As long as the Canadian manufacturer continues to produce the high-grade shingle, the shingle in demand, he should not work at a disadvantage merely because the American producer makes shingles a by-product instead of the primary article. Shingles should be retained on the free list.

YARMOUTHPORT AND HYANNIS, MASS.,  
Thursday, June 20, 1929.

Hon. DAVID I. WALSH,  
*The Senate, Washington, D. C.*

DEAR SIR: We understand that the tariff bill is now before the Senate for their consideration. We are lumber dealers, and the business conditions have not been satisfactory for the last two or three years.

We want to strongly urge you to oppose having a tariff put on lumber imports, especially on cedar lumber and shingles. We do not feel that this is necessary for the best interest of the buying public at the present time. If the tariff was now put on, we feel that the prices would advance quite sharply, and this would have a retarding effect on business for some time.

We are, therefore, requesting that you give this matter serious consideration and oppose the tariff on these articles.

Respectfully yours,

JOHN HINCKLEY & SON CO.,  
F. HOWARD HINCKLEY.

BROCKTON, MASS., June 7, 1929.

Senator DAVID I. WALSH,  
*Washington, D. C.*

DEAR SIR: We are opposed to the tariff bill which is before your body for consideration in its effect on red-cedar shingles.

We feel that it would be a mistake to upset an industry which is now in a satisfactory condition and that it would be a mistake to penalize lumber imports in a manner which would only lead to a more rapid exhaustion of our own reserves.

We hope you will oppose the portion of this bill which applies to the lumber industry.

Yours very truly,

DEAN-PENNEY CO.

SCITUATE, MASS., June 7, 1929.

Hon. DAVID I. WALSH,  
*Senate Finance Committee,*  
*United States Senate, Washington, D. C.*

DEAR SENATOR: We are writing you again with further reference to the proposed tariff bill now under consideration, which carries a high duty on shingles, cedar lumber, logs, birch, and maple lumber.

This company is particularly interested in the duty affecting shingles. Our business is located in the heart of a large white-cedar shingle consuming territory, which embraces all of southeastern Massachusetts. Practically our only source of supply is the Canadian Provinces.

This section, as you well know, is largely a country of small homes. Any duty on shingles will certainly result in the increased cost of same.

We also sell edge-grain, red-cedar shingles from British Columbia. These shingles are higher in price and are used where a higher quality is demanded. Any duty on this grade will only increase the already existing differential and can only benefit a few shingle mills located in the State of Washington.

We are to-day buying the best grade of Washington shingles at much lower prices than we are paying for the British Columbia article.

Very truly yours,

THE GEORGE F. WELCH CO.,  
By J. W. STINSON, *Manager.*

MONARCH LUMBER CO.,  
*Great Falls, Mont., June 29, 1929.*

Hon. DAVID I. WALSH,  
*Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: In the hearing before the subcommittee on the wood schedule of the Senate Finance Committee, Mr. Brattie, who appeared as a witness asking for a 25 per cent ad valorem tariff on shingles, was asked by the chairman, Senator COUZENS, if he had any comparative-cost data that would show the relation of the cost of producing shingles in British Columbia and in Washington-Oregon. Mr. Brattie stated that he had none, as it was very difficult to obtain. He also made the same statement in relation to cedar lumber.

We do not think this statement was entirely fair to the committee, and for the special information of the members of the committee we are giving you below a table showing the comparative costs of producing shingles in Washington-Oregon and British Columbia, grade by grade, as taken from the report of the United States Tariff Commission on the Red Cedar Shingle Industry.

The report itself on costs is somewhat voluminous, as it covers the subject in great detail, and it is to be doubted whether there is available any more comprehensive and thorough record of costs of production than that on red-cedar shingles as developed by the Tariff Commission. These figures cover the grades that embrace practically all imports from British Columbia.

*Cost of production of shingles in Washington-Oregon and British Columbia*

[U. S. Tariff Commission: Report on red-cedar shingle industry to President, March 2, 1927, p. 44]

	Cost per thousand
(1) Royals, No. 1, 24-inch, 4/2:	
Washington-Oregon cost	\$10.690
British Columbia cost	11.305
Higher foreign cost, 5.8 per cent.	
(2) Perfections, No. 1, 18-inch, 5/2 1/4:	
Washington-Oregon cost	4.528
British Columbia cost	4.774
Higher foreign cost, 5.4 per cent.	
(3) Perfects (or XXXXX), No. 1, 16-inch, 5/2:	
Washington-Oregon cost	3.681
British Columbia cost	3.681
Higher foreign cost, 4.6 per cent.	
(4) Extra clears, 16-inch, 5/2:	
Washington-Oregon cost	2.835
British Columbia cost	2.845
Higher foreign cost, 0.4 per cent.	
(5) Eureka's, No. 1, 18-inch, 5/2:	
Washington-Oregon cost	3.506
British Columbia cost	4.465
Higher foreign cost, 27.4 per cent.	
Weighted average for all shingles produced:	
Washington-Oregon cost	3.098
British Columbia cost	3.802
Higher foreign cost, 22.7 per cent.	

You will note from the above that, whether considered grade by grade or on the average, shingle costs are higher in Canada than in this country. This fact has never been disputed directly by any witness appearing for the tariff, at least not by the production of any figures.

Mr. Bloedel, who appeared before the Ways and Means Committee and the Senate Finance Committee, produced for them the actual costs for his shingle mill in Washington and his shingle mill in British Columbia, together with his wage scales. His figures bore out the findings of the Tariff Commission. We contend that in justice to your committee that those asking for a shingle tariff should at least have produced their own cost records or given the committee some substantial information on which to base conclusions.

The proponents of a tariff on shingles have relied solely on complaining that there was depression in their industry and that bankruptcies were frequent. We have endeavored to point out in our briefs elsewhere that this had nothing to do with the tariff and that one of the outstanding and primary reasons why many shingle mills were in bad shape was because they were dependent for the supply of their raw material—logs—on the open log market and that a tendency toward a shortage of cedar logs had enabled the loggers to maintain prices at such a level that it was impossible for the log-buying shingle mill to operate at a profit.

It is a fact worthy of note that no manufacturer of shingles other than Mr. Bloedel, who possessed a timber supply of his own, has appeared before your committee in connection with this tariff. Mr. Bloedel has stated that a tariff was not needed. The proponents of the tariff that have appeared have been log-buying shingle mills.

May we in conclusion emphasize to you certain facts?

First. That costs of production of shingles are higher in British Columbia than in Washington and Oregon.

Second. That British Columbia shingles sell grade for grade at a higher price in the American market than do those of Washington and Oregon.

Third. That decline in Washington-Oregon production has been due to waning cedar supply, composition-roofing competition, and the fact that low-grade shingles, which constitute the bulk of production, have lost their markets, rather than to British Columbia competition.

Finally, that individual failures and lack of profitable operation of many plants has been due to the make-up of the industry and has been confined chiefly to the log-buying shingle mills, who are dependent on others for their log supply.

These outstanding facts, we believe, make clear the fallacy of a protective tariff on this commodity.

Yours very truly,

GEO. H. ROGERS.

Mr. COPELAND. Mr. President, while I do not agree with the conclusion reached by the distinguished junior Senator from Washington [Mr. DILL], I want to say for him that I listened yesterday with a great deal of interest to his speech, and if any manufacturer of shingles in the State of Washington is doubtful whether or not he presented a strong case I am willing to testify as an opposition witness that he did.

Of course, that is the sugar coating which I must apply, may I say to my friend, to my opposition to the stand he takes.

I might say equally kind things about the speech made by the senior Senator from Washington [Mr. JONES] if I had heard it.

Mr. President, I was particularly touched by what the junior Senator from Washington [Mr. DILL] said about the condition of labor. Anyone who has the slightest love of humanity in his heart must be touched when such pictures are presented as were displayed yesterday by the Senator with reference to the pathetic state in which labor finds itself in the State of Wash-

ington. Undoubtedly the decline in the industry has had an adverse effect upon all concerned. Of course, in my opinion there are other reasons than those alleged by the Senator as the real causes. However, we are distressed by the effect of the conditions which prevail for labor.

The junior Senator from Washington made a plea that this light tax upon shingles would involve the people of the country so lightly and so slightly that it is a tax that might be disregarded. Of course, if this were the only tax to be levied upon the American people, I have no doubt that every Senator here and the people themselves would be glad to say, "Very well, because of the condition of labor in the State of Washington we will make an exception in this case." But it is when one tax is piled upon another that we have ultimately a staggering load to be borne by the taxpayers of the country.

After the debate upon nonshatterable glass I was called to the reception room by some one connected with the Ford Automobile Co. He thanked me for what I had said about the importance of having this glass made at the lowest price possible, and then made a significant statement, which I am trying to have confirmed by the company itself. He said that if every item in the tariff bill now pending before the Congress were to take effect and the bill were to be passed, there would be added to this article and the other used in the manufacture of the Ford automobile so many additional costs that the price of the Ford car would be increased \$169. If it be true that the passage of this bill would add to that one indulgence of the American people \$169, it is a very significant statement. So I want to say to my friend from Washington that it is not the one item of the tax upon shingles that we must consider but the effect upon the country of the great many requests for increased duties which are made in connection with the pending bill.

Mr. President, I regard home building as one of the most important activities in which a citizen can engage. Nothing is better for the American people than to have our citizens live in their own homes; nothing promotes health more; nothing advances morality more; nothing adds more to the welfare of our people and the stability of the Nation than home ownership. I have been much distressed because of the financial condition of the country and its relation to the building of homes. Under conditions prevailing during the past two or three years every dollar that men and women in America could rake and scrape together has been devoted to Wall Street; gambling has been indulged in, and now millions and billions of American wealth have been dissipated through the crash in Wall Street. I have no remedy to offer; I doubt exceedingly if Congress can find any remedy. People have a right, I suppose, to spend their own money as they will, and whether there can be found a means of regulation I doubt very seriously; but this is a fact, Mr. President; As the result of the demands made upon the banking institutions of America for money to be used for speculative purposes, it is practically impossible for the young man who desires to build a home to obtain any mortgage money from the banks. That is a calamity. I am sure that every Senator here will agree with me that anything that interferes with home building is calamitous to the welfare of the Nation.

Mr. DILL. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER (Mr. WALCOTT in the chair). Does the Senator from New York yield to the Senator from Washington?

Mr. COPELAND. Yes.

Mr. DILL. Can not the Senator from New York apply that same statement with equal force to anything that interferes with the production of the food and clothing of the people?

Mr. COPELAND. Of course.

Mr. DILL. We put a tariff on food and clothing because we want to help the producers of those articles, but when it comes to something that is used on houses and which lasts for from 25 to 30 years, it is complained that a tariff will be a burden.

Mr. COPELAND. Mr. President, I want to say to the Senator from Washington that I have had occasion to shingle a house and I have lived in it long enough to reshingle it. When I again buy shingles for my house I am going to buy shingles which have enduring qualities, and I fear, from all the testimony that has been offered, that the trouble with the Washington shingle is that it has not the quality to give it the popularity which my friend would wish it to have.

Mr. DILL. Of course the Senator from New York does not understand the situation or he would not say that.

Mr. COPELAND. I am founding that statement upon the testimony of dozens of persons who have written me regarding this matter, and that seems to be the universal testimony. I can not vote for a measure which so apparently raises an artificial barrier to home building; therefore I must be in opposition.

I am very sorry, indeed, that we have not any figures here showing the actual domestic production of shingles during the past several years. I have asked that question of several Senators who have been debating this subject. I asked it this morning of the senior Senator from Washington [Mr. JONES] and he referred me to his speech. I found on page 5446 of the CONGRESSIONAL RECORD that the Senator from Washington said:

The shingle production in the United States is between five and six billion yearly. In 1913 it was between seven and eight billion.

And the Senator draws the conclusion that the reason why the production is so much less now is the increased importation of Canadian shingles, but, after all, there has been no increase. As a matter of fact, there has been a decline. In 1928 the importations were lower than they had been for any year since 1920, with the exception of 1927. I do not know what the production is, but I venture to say that by reason of the financial situation to which I have referred there has not been a great demand for shingles, and that would account, of course, in some measure, for the lack of prosperity in the State of Washington.

Yesterday reference was made to the Russian lumber situation. I have heard it rumored about the cloakrooms that in a great building which is going to be constructed in New York to replace the Waldorf Astoria, Russian lumber is largely to be used. I hold in my hand a letter received this morning, which indicates that most of the lumber to be used in that great building is spruce and west coast fir, and that Russian lumber is not to be used.

I want to place in the RECORD a part of the letter which I received from the New York Lumber Trade Association, wherein there is a discussion of the Russian lumber bogey. I think that Senators have been disturbed over the possibility that Russia might become a very serious competitor in the lumber industry. As a matter of fact, that is not likely to occur, my correspondent states, because this wood is shipped out of Russia from Archangel on the White Sea, which, as everyone knows, is within the Arctic Circle, and the port is icebound at least for seven months of the year. Therefore it is not likely that any large amount of lumber can be shipped out of that port.

Then in the letter the argument is set forth with some detail to the effect that Russia consumes about 80 per cent of its lumber at home, and of the 20 per cent exported the British Isles take about 60 per cent.

I ask, Mr. President, that the parts of the letter which I have marked be included at this point in my remarks without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

#### THE RUSSIAN LUMBER BOGEY

As soon as our association received the October 7 release of the Southern Pine Association giving as their reason for taking sides in the tariff issue at this late date, the fact that their members were concerned about the present and future softwood shipments of Russian lumber to this country, our tariff committee immediately instituted an investigation into the matter. We interviewed the Amtorg Trading Corporation at New York, the commercial agents of the Soviet Government in the United States, the two American importing concerns who are handling all the Russian lumber consigned to this country, provided ourselves with the book entitled "The Soviet Union Looks Ahead," which is in the nature of a prospectus outlining the plans of the Russian Government during the next five years, and Bulletin No. 19, of March 1, 1929, of the United States Bureau of Foreign and Domestic Commerce at Washington, part of which is devoted to a careful analysis of the financial structure of the soviet lumber industry. We have also consulted various persons who are more or less familiar with the Russian lumber situation. In the interest of brevity we will endeavor to condense our findings in the following paragraphs. Meanwhile we can say that we who are situated in the territory most affected by Russian lumber find nothing to be alarmed about. We do not believe the deep concern of the Southern Pine Association is warranted by the facts, and our opinion is that their release is based on a very superficial examination of all the factors, which accounts for the sensational character of their statement. We beg to call your attention to the following points:

1. Practically all of Russia's softwood exports are shipped, on account of economic reasons, from Archangel on the White Sea, which is within the Arctic Circle. This port is icebound at least seven months in the year. Shipping destined for the United States must move through the White Sea, the Arctic Circle, and the Arctic Ocean before turning westward into the Atlantic. The only dependable open-water period is from the latter part of July to the latter part of October. In favorable years ships can sail from the latter part of June until well into November. As a rule June and November are very doubtful months. This year the latest reports indicate an early fall and winter, and navigation is expected to close any time now.

2. In spite of the claims of the duty proponents that 70,000,000 board feet will likely arrive here this year, only three cargoes of about 3,000,000 feet each have come in thus far, i. e., the ships *Christinasborg*, *Collingham*, and *Southlea*. Between the two importers above referred to, seven more ships have been chartered with three others that are in doubt. But inasmuch as a number of these are for late October and November loading, it is pure speculation as to how many of these will be able to load and sail. If all 10 should clear, and their cargoes would average 3,000,000 feet each, which is the amount estimated, a total of 30,000,000 feet more would be received in addition to the 9,000,000 which has so far arrived—a mere drop in the bucket when you consider that, according to the figures furnished by the National Lumber Manufacturers' Association, the Eastern States, from Baltimore north, consumed in a yearly period from 1927 to 1928 about 3,645,000,000 feet of softwoods. If the Russian importations reach a possible maximum of 40,000,000 feet this year, which seems highly improbable in view of the remaining short period available for shipping, this amount would be only slightly over 1 per cent of the softwoods consumed in the territory mentioned, and where this wood must be sold to be economically practicable.

3. Now, this lumber is practically all spruce of a type similar to the spruce we used to saw in Maine, New Hampshire, Vermont, New York, etc., before it was commercially exhausted. This lumber enters into direct competition with Canadian spruce and not with our own woods. It is more or less of a special product, having special uses. It is not able to compete in price with the cheaper west coast fir and hemlock and southern shortleaf yellow pine.

4. Russia exports to the United States about 100 different articles, of which lumber is one of the less important. Tonnage for all of these must be secured and many must take precedence over lumber because of the character and higher value of the goods.

5. Russia normally consumes about 80 per cent of its lumber at home. Of the 20 per cent exported, the British Isles take about 60 per cent and the United States only about 13 per cent. That this is apt to change materially for some time to come, as far as the United States is concerned, is unlikely, as 60 per cent of the softwood output of Russia is a species of pine that does not find favor in this country, whereas both the Russian pine and spruce is popular in the British Isles and Continental Europe.

6. Russian lumber is manufactured and sold in Europe on the metric system. Usage in Russia and Europe calls for sizes not commercially in demand in the United States, where lumber is manufactured and sold on a board-measure basis. The British market requires a special specification of sizes, which, although sawn to a board-measure scale, would not be readily salable here. Hence all lumber intended for the United States market must be specially sawn in advance according to American requirements, and it is most unlikely that any surplus stocks cut to European or British standards could be dumped on this market. They would be bound to encounter most formidable selling resistance. The American importers who handle this Russian lumber have found it necessary to place sawing orders in the fall of the year for cargoes to come out during the following summer. Such a condition does not lend itself to volume business.

7. "The 5-year plan for economic construction" in Russia is as yet only an optimistic forecast of what they hope to do. In this plan involving the building of railroads, highways, and all sorts of industrial plants, of course more sawmills will be needed to furnish lumber for home consumption. That such sawmill expansion, under the circumstances, connotes the production of a flood of lumber intended for the American market, is far afield from the information we have been able to obtain, and is sheer conjecture. The Department of Commerce report of March 1 shows the Russian lumber industry to be in a poor condition financially and comparing very unfavorably with all other industries in that country. The Lumber Trusts did a business in 1927-28 of 307,000,000 rubles. Their indebtedness to the banks on October, 1928, was 111,800,000 rubles. All other industries combined did a business during the same period of 3,658,000,000 rubles and they only owed the banks 513,100,000 rubles. The comparison of per cent ratio was 36.4 per cent in the first case as against 14 per cent in the second. The report goes on to say that 76 per cent of all the funds of the lumber industry consists of short-term bank loans and advances from buyers. Little prospect is seen of improving this condition for some time to come, due to many reasons, among which are the short shipping season, the lack of ports and transportation and the fact that the turnover from logging to marketing the finished product runs from 8 to 16 months. That the United States has anything to fear from an industry laboring under these handicaps seems far-fetched. It rather seems that those owners of standing timber in our country who have most to gain from a tariff, having failed to make a case against Canadian lumber and shingles, are using this Russian argument as a sort of smoke screen behind which they propose a tariff which will attack the forest products of Canada, our best customer.

Mr. COPELAND. Mr. President, I also ask to include in the RECORD the protests which have been made by citizens of my State against the proposed duty on shingles. I have here a list of lumber dealers of New York State, beginning with Adams

Fowler & Hoffman (Inc.), of Mamaroneck; Allison & Ver Valen Co., of Haverstraw; of the Amsterdam Lumber Co. and others, which I ask to be included without further reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list referred to is as follows:

NEW YORK

Adams Fowler & Hoffman (Inc.), Mamaroneck.  
 Allison & Ver Valen Co., Haverstraw.  
 Amsterdam Lumber Co., Amsterdam.  
 Astoria Lumber Co., New York City.  
 Axtell, Frank C., Binghamton.  
 Ayers-Witmer Lumber Co., Niagara Falls.  
 Bartlett & Co., Binghamton.  
 Bayer & McConihe, Troy.  
 Beach Lumber Co., Rome.  
 Becker, Moore & Co. (Inc.), North Tonawanda.  
 Bell, Walter Allen, Ogdensburg.  
 Bennett, Ray H., Lumber Co. (Inc.), North Tonawanda.  
 Benzing, Jos. H., & Co., Brooklyn.  
 Bigelow, A. P., & Co., Long Island City.  
 Blakeslee Lumber Co., Albany.  
 Blanchard Lumber & Mill Co. (Inc.), Buffalo.  
 Booneville Lumber Co. (Inc.), Booneville.  
 Bronk Coal & Lumber Co., Hudson Falls.  
 Brooklyn Consolidated Lumber Co., New York City.  
 Brooklyn Union Lumber Co., New York City.  
 Burke Lumber Co. (Inc.), Oswego.  
 Burr Lumber Co., Gloversville.  
 Burt, H. W., New York City.  
 Burton, Thomas (Inc.), Flushing.  
 Carpenter, John R., Co., Jamaica.  
 Chapel, Linn S., Co. (Inc.), Elmira.  
 Chapman Lumber Co., Syracuse.  
 Chichester, A. K., & Son, Albany.  
 Chittenden Lumber Co., New York City.  
 Clifford, Martin, Co., Lockport.  
 Coakley, John P., Canton.  
 Cohen, J., & Bros., New York City.  
 Combes Estate, Rockville.  
 Comstock Lumber Co., Rochester.  
 Conklin Pfister Building Service (Inc.), White Plains.  
 Conklin, Tubby & Conklin, Roslyn.  
 Copp Stratton Co., Flushing.  
 Cornell-Haviland Co., Pleasantville.  
 Corning Building Co., Corning.  
 Crane & Clark, New York City.  
 Crannell Lumber Co., Albany.  
 Crouch & Beahan Lumber Co., Rochester.  
 Crombie, W. M., & Co., New York City.  
 Cummings Lumber Co., New York City.  
 Cunningham Lumber Co., Rochester.  
 Cunningham, W. F. (Inc.), New York City.  
 Dain's, N., Sons Co., Peekskill.  
 Daly Lumber Co. (Inc.), Syracuse.  
 Dealers Lumber Corporation, North Tonawanda.  
 Delatour, Albert J., New York City.  
 Denton-Waterbury, Whitesboro.  
 Doane & Jones Lumber Co., Elmira.  
 Dohn, Fischer & Co. (Inc.), Buffalo.  
 Dolan, John F., & Sons, Oriskany Falls.  
 Doran, Seeley & Adams, New York City.  
 Donner Lumber Co., New York City.  
 Downs, V. H., Jamesport.  
 Driscoll, Dempsey & Driscoll, New York City.  
 Dykes Lumber Co., New York City.  
 East New York Lumber Co., New York City.  
 Eckenroth, S., & Bros., New York City.  
 Elmhurst Lumber & Trim Co., Maspeth.  
 Elmwood Lumber & Shingle Co., Buffalo.  
 Enders, Phillip, & Son, Rochester.  
 Enterprise Lumber Co., North Tonawanda.  
 Exchange Lumber Co., Rochester.  
 Finch, Charles H., New York City.  
 Fleet Lumber Co., Greenport.  
 Floral Park Mutual Fuel Co., New York City.  
 Freeport Lumber Co., Freeport.  
 Gardenville Lumber & Supply Co., Gardenville.  
 Gates, Church E., Lumber Co., New York City.  
 General Lumber & Moulding Co., New York City.  
 Getman Lumber Co., Frankfort.  
 Georgian Bay Lumber Co. (Inc.), North Tonawanda.  
 Glen Cove Mutual Fuel Co., New York City.  
 Glode Requa Coal & Lumber Co., Monsey.  
 Goodwin, M., & Co., New York City.  
 Gould, H. O., Co., Middletown.  
 Gramatan Supply Co., Bronxville.  
 Graves, Manbest & George, Buffalo.  
 Greece Lumber Co., Rochester.  
 Great Neck Lumber & Trimming Co., Great Neck.  
 Greene, M. D., Lumber Co., Auburn.  
 Gregory-Sherman Lumber Co., Nyack.  
 Grieme Lumber & Supply Co., Amsterdam.  
 Haeberle Lumber Co., Niagara Falls.  
 Handshaw, Sinclair, Smithtown Branch.  
 Haney, J. H., Booneville.  
 Hall, William M., Chatham.  
 Hapeman-Goodfellow Co., Cato.  
 Harris, McHenry & Baker Co., Elmira.  
 Henrich, William, Sons Co., Buffalo.  
 Henricks-Caskey Co., Buffalo.  
 Hicks Lumber Co., Roslyn.  
 Hollis Lumber Co. (Inc.), Hollis.  
 Hollister Lumber Co., Rochester.  
 Hoban-Hunter-Feltner Co., Brooklyn.  
 Hubbell, C. T., & Co., Albany.  
 Hunt, H. T., Co., Binghamton.  
 Hurd Bros., Buffalo.  
 Hutton Johnson Co., Nanuet.  
 Ilion Lumber Co., Ilion.  
 Jantzen Overgaugh & Co., New York City.  
 Jones, R. T., Lumber Co., North Tonawanda.  
 Kendrick & Brown, Glens Falls.  
 Kent, P. A., & Son, Binghamton.  
 Kingeway Lumber Co., New York City.  
 Knoell Manufacturing Co. (Inc.), Tonawanda.  
 Laidlaw, The R., Lumber Co., Buffalo.  
 Lamb Lumber Co., Lake Placid.  
 Lane Lumber Corporation, New York.  
 Lewis & Case Lumber Co., Elmira.  
 Lexington Lumber Co., Buffalo.  
 Little, Andrew, & Sons, Little Falls.  
 Lockport Lumber Co., Lockport.  
 Lowe, J. S., Cape Vincent.  
 Mahlstedt Lumber & Coal Co., New Rochelle.  
 Mallus, Henry E., & Bros. (Inc.), Buffalo.  
 Manhasset Lumber & Supply Co., Manhasset.  
 Maybee, J. H., & Son, Canton.  
 Maxson & Starin, Homer.  
 McNeil, Joseph, New York.  
 Meyers Lumber Co., North Tonawanda.  
 Mirschel, Carl, Hempstead.  
 Mohawk Industries (Inc.), Rome.  
 Montauk Lumber Co., New York City.  
 Montgomery Bros. & Co., Buffalo.  
 Morse Lumber Co., Rochester.  
 Nassau Lumber Co., Hempstead.  
 Nassau-Suffolk Lumber & Supply Corporation (6 yards), Mineola.  
 Nassau Fuel Co., New York City.  
 National Packing Box Co., New York City.  
 Neal-O'Brien Lumber Co., Oswego.  
 Neill, F. S. (Inc.), Flushing.  
 Nellis, Amos & Swift, Utica.  
 Newfane Lumber & Manufacturing Co. (Inc.), Newfane.  
 Newton Greek Lumber Co., New York City.  
 North Side Lumber Co., New York City.  
 Northport Lumber Corporation, Northport.  
 O'Donnell Bros., Medina.  
 Otis Lumber Co., Rochester.  
 Oyster Bay Lumber Co., Oyster Bay.  
 Palmer, W. G. (Inc.), North Tonawanda.  
 Palmer Lumber Co., Rochester.  
 Pettit, A. S., & Sons (Inc.), Huntington Station.  
 Post, Wallace R., New York City.  
 Power, Moir & Stocking, New York City.  
 Proctor Manufacturing Co., Ogdensburg.  
 Putnam Valley Lumber Co., Bayside.  
 Raby, Peter, Co. (Inc.), Oswego.  
 Rivenbaugh Lumber Co., Hudson.  
 Riverside Builders' Supply Co., Corning.  
 Robertson & Son, Binghamton.  
 Rome Box & Lumber Co., Rome.  
 Rochester-American Lumber Co., Rochester.  
 Rutland, Henry D., West Albany.  
 S. & H. Box & Lumber Co., New York.  
 Smith, Frank B., East Hampton.  
 Snell & Sons Co., Herkimer.  
 Stansbury, James H. (Inc.), Jamaica.  
 Stevens-Eaton Co., Jamaica.

Stevens-Eaton Co., New York City.  
 Stewart Lumber Co., New York City.  
 Sullivan, T., & Co., Buffalo.  
 Sullivan, W. A., Lumber Co., Watertown.  
 Taylor, G. W., Lumber Co., New York City.  
 Thomas, Philip, Sons Co., Utica.  
 Thompson & Son, Stapleton.  
 Tracy, B. H., Fayetteville.  
 Troy Lumber Co., Troy.  
 Tuthill Lumber Co., Mattituck.  
 Tuttle, W. E., Lumber Co., Horseheads.  
 Vrooman, Clarence H., Patchogue.  
 Webster, A. H., Groton.  
 Westchester Lumber Co., Yonkers.  
 West Side Lumber Co., New York City.  
 White, W. H., Co., Nyack.  
 White & Cleveland, Albany.  
 Whitehall Lumber Co., Whitehall.  
 Wicker Lumber Co., Niagara Falls.  
 Wilder, W. M., Pulaski.  
 Willson & Adams Co., Mount Vernon.  
 Wilson & Greene Lumber Co., Syracuse.  
 Wood, W. Wilton, Huntington.  
 Wood & Norstrand (Inc.), Farmingdale.  
 Young & Halsted, Mount Cisco.  
 Young Lumber Co., Elmira.  
 Zapf Lumber Co., East Aurora.  
 Zashinsky Lumber Co., New York City.  
 Zimmerman Lumber Co., Buffalo.

Mr. COPELAND. Mr. President, likewise I have received very vigorous protests from the members of the grange of my State. I have here several letters. One comes from Phelps, N. Y., and is signed by Mrs. Ruth Nash, secretary of Enterprise Grange, of Oaks Corners, N. Y. I have another from the National Grange signed by Fred Brenckman, its Washington representative; another from the New York State Grange Patrons of Husbandry, of Lake Clear Junction, N. Y., signed by Charles Kirche, Frank Cass, and John McDonald; another from Kings Ferry, N. Y., signed by S. J. Carlson, master of Cayuga Lake Grange; another from the Oatka Falls Grange, No. 398, Patrons of Husbandry, of Le Roy, N. Y., signed by John A. MacPherson, secretary; and another from Weedsport Grange, No. 995, Patrons of Husbandry, of Weedsport, N. Y., signed by William O'Hara, secretary.

Mr. President, I do not desire to add further to the discussion. I merely desire to say that I am convinced that it would be a calamity to my State to have this increased tariff upon shingles. I think it would interfere with the progress of home building. It would interfere with the welfare of the common people, because shingles are not used by the rich; they are used to cover the modest home and the demand is largely rural or suburban. So, for every reason I can think of, I am in opposition to the appeal so vigorously made by the Senators from Washington, and am forced to vote against the increase of the tariff on shingles.

Mr. BLEASE. Mr. President, some days ago I offered a resolution that the Senate adjourn, and that we go home and give the country and the Senate a few days to settle down. I do not think the Senators who are overworking themselves here really realize just what they are doing. What I am going to say is not in criticism of anybody, and I hope it will not be so considered.

When I came to the Senate in 1925 they had just gotten out the January issue of the Congressional Directory. When I came back in December for the long session there were four names that were not in the December issue which were in the January issue—Senators La Follette, Spencer, Ralston, and Ladd. If some Senator will take the time to take the December issue of the CONGRESSIONAL RECORD of 1925 and the Congressional Directory of the last issue, he will find that there have been 35 changes in the Senate, 11 deaths, since December, 1925.

I really was surprised at the number of deaths. I was, of course, not surprised at the defeats, because they come to us all. Any man who sticks to politics, sooner or later, unless he is fortunate enough to die, is going to be defeated. We might just as well realize that as we drive along. But, Mr. President, what are the conditions to-day?

Senator Burton and Senator Tyson have passed away. Senator WARREN, the father of the Senate, is in bed sick. Senator KING, one of the most active men in the Senate, is sick. Senator WATSON, the great leader of the other side of this body, has had to leave on account of illness. There are other men in the Senate to-day who do not realize their condition. As I say, I am not criticizing. They have done an immense amount of

labor. They have worked here through a very hot summer. For the last several weeks they have been coming here at 10 o'clock in the morning, attending to their office duties before they got here, staying here until 6 o'clock in the afternoon, and then doing the best they could with other matters for the remainder of the time.

What has been the result? We have had some very unusual things happen here on the floor. Men who ordinarily are the most polite in the Senate have been very impolite. It is not their nature. They have overstrained themselves. They have worked themselves up to a high tension. They have been under a nervous strain that we must all realize human nature can not stand. You can take a big engine down here and put 90 cars behind it, and the engine will pull them all; but you may stick a caboose right on the back end, and that little caboose may keep that powerful engine from moving.

Human nature is the same way. There is a limit to all things. We can work, and drive on, and drive on, until after a while something snaps. I am not speaking of myself, because the tariff bill has not bothered me. I said away back yonder that it was a bad bill. If I had had my way, I would have let the Republicans pass it just as soon as possible. I think the Democrats made a mistake. As I say, I am not criticizing or talking about myself now. I think they should have let the bill pass and go into operation just as early as possible, and let the people of this country, the consumers, see what it was going to do to them and what it was doing to them, and the chances are that there would have been a reversal. If the Democrats make it a good bill, however, it is a Republican administration, and the Republicans will get the credit for it. I do not see where the Democrats are going to get any credit, especially in the coalition that they are in.

I have heard some people say, "Shift the responsibility to the White House." You can not do that. That is like a man trying to shift the responsibility for rearing his children. He may send them to day school, he may send them to Sunday school, and rear back and go off on his frolics and say his children are being properly cared for; but he can not shift that responsibility in the sight of God Almighty. He holds every parent responsible for that child, regardless of where he tries to shift it to. It comes right back to the point where God gave you the child, and God holds you responsible for it. So it is with the American people. We can not say we are going to do this, that, and the other, and send it to the White House. We shall have to take care of our own responsibility.

As I say, Mr. President, about half of the men in the Senate are sick and do not know it. They are overworked. They are on high tension; and to tell you the truth about it, I think very few men in the Senate to-day, with all due respect to them, are really in proper condition to work. We have talked tariff and tariff until I think the country is tired of it, and I think the Senate—if the Members would get up and tell the truth about it—are just about as tired of it as the country is.

Your experts that are assisting you are just about worked to a "frazzle." Our exceptionally competent and ever-obliging official reporters, while doing their duty and standing by their posts, clearly show the strain that they are passing through; and our clerks and others clearly demonstrate the fact, while keeping up with their duties, evidencing at all times devotion to their work; and even our pages—sweet little fellows that they are—are showing, like you are, the want of rest and of sleep. Yes, all of us need a change. If you would go home and rest, take a little holiday and recess, get your minds off on something else, talk to your people, and come back and then have a little vaudeville, have a little tariff and a little prohibition and a little something else, and talk around on different things to-day, and come back on the tariff every day, if you want to, and take two or three hours on it, but put in a little dancing, as the vaudeville shows do, and a little singing, possibly we would be in better shape.

For instance, now, there is my friend from Pennsylvania [Mr. REED]—and I do think a whole lot of him. It may seem strange, but I do. He is chairman of my Military Affairs Committee, and I think he is a very fine chairman and a mighty fine man. He would not have made the references he did the other day to communists if it had been DAVE REED; but you just wound him up until he had to run down, and the only way he had to get down was to get a communist pole, and down he went.

The same thing can be applied to my friend NORRIS, who is a very fine man and a very brainy man; but you would think he was a school-teacher, getting up here and lecturing the Senate, telling them what they should do and what they should not do. Well, that is just the same condition. He is just worked down, just on a strain from going all the time.

Then my good friend ASHURST over here, whom I love and whom I would stand by in any fight under any conditions, the other day got up here and made his little talk, and I know that he would not have been anything like as impolite as he was to my friend REED if it had just been ASHURST; but you had him wound up. You had him on a strain. And my ladylike friend and entertainer from Kentucky, the very distinguished Senator over here [Mr. BARKLEY]—why, he just hit right back.

If he had not been all strained and overworked when my friend ASHURST delivered him his lecture, he would have smiled, and they would have gone out in the cloakroom, and it is a pity they could not have done as in the old days; but, as they could not, they would have shaken hands and drunk some Glen Springs mineral water from South Carolina, and the friction would have all passed away.

I really think, seriously speaking, that the time has come when the Senate should adjourn. Oh, but somebody has been so kind as to speak of mileage. I do not criticize newspapers, and I never answer their criticisms of me; I have learned that the more they hit me, the more good it does me, and the better I like it; but before newspapers criticize Senators, and especially before they try to belittle them, they should examine the facts and know the law.

It has been hinted that some Senators want to adjourn to get their mileage and go home. My mileage, if I use it up, would just about buy me a nice suit of clothes and a couple of cravats; but that has not anything to do with it. You will get your mileage if you sit here until 12 o'clock on Monday, December 2. You do not have to adjourn to get mileage, and every Senator here knows it. Why does the press want the public and the country to think that we want to adjourn so that somebody can go home and get his mileage? The law fixes the mileage; the appropriation has already been made; the money is set aside for every regular session; and it does not make any difference whether we stay here until 1 minute to 12, and the Vice President adjourns the special session and calls the other session together, or whether we adjourn right now and go home. It does not make any difference at all in reference to mileage. I really think that the newspapers, before they send that out to some people who might be foolish enough to believe it, should look into such matters.

Another thing that I think is a serious matter is this: I have no special business interests. The only business I have is being a United States Senator. Sometimes some fellow gets into trouble down home, and gets a little bit uneasy about the lawyer he has, and maybe thinks I have a little influence with the jury, and he sends up here and I go down there and pick up a little extra money; but that is just a kind of a side issue. I have no money in any stocks. If every bank in America should go broke, it would not do me any harm. If every mortgage in America were foreclosed, it would not do me any harm financially. I have my salary, and I do not see any way for anybody to get that, because I know Colonel Pace is not going to deliver it to anybody but me; but this country is in a bad fix.

I talk to people that you gentlemen do not come in contact with—business men. You are so busy here that you come and attend to your business, and you go home, and you go out to your dinners and have a nice time, and come back next morning and start over again. I see people that are hard pressed by these things. I received a letter to-day from a man who said that the bank had broken and had taken all he had, and now they are calling on him to pay an assessment on his money. He wrote me to-day, and he said, "I just have not got it. They have sued me; and what am I going to do?" I am going to write back to him and tell him that he has one fine consolation, anyhow—they can not put him in jail.

Business is in a bad condition, Mr. President. Suppose two or three great, big banks were to crash right now? It is serious, in my opinion. Of course, I do not know anything about it. I do not know anything about business and financing. I never bought any stock or futures in my life. I never have known anything about it. The only business I have ever had with a bank was to pay it interest—that is all. But I hear other people talking. I know what is going on. I see merchants out here with their clerks standing in the doors. I see merchants with long faces. I see hotels that used to be crowded at this time of the year with perhaps half a dozen or less people on each floor. Now, there is something wrong. What is it? I do not say that our adjourning and going home will make it straight, but I believe it will help. I really do.

Somebody will say, "Well, but the tariff is the matter. The country does not know what kind of tariff we are going to have." You are not going to have any kind. You gentlemen who are close to the President know that just as well as I do.

I do not know whether he is for the Borah crowd or not. He ought to be for BORAH, because if it had not been for BORAH he would not have been President. There is no doubt about that. Everybody knows that; but I do not know whether he is backing his friends or whether he is backing the old liners that tried to keep him from being President. If they had had their way, he never would have been President; but which side he is on, I do not know. I do know, however, that he is not going to sign any bill that has not a flexible tariff in it. He may sign it with the debenture in it, but he is not going to put his name to it with the flexible clause out. You know that, gentlemen, and I know it. Now, why fool the American people? Why sit here and keep me voting for something that I am against—a high tariff, or any other kind of a protective tariff?

I said, if you remember, on the 21st of October—page 4724 CONGRESSIONAL RECORD—that Mr. Hoover would not sign your bill if you should pass it in its present state. I also said at that time that when you got through killing yourselves, working yourselves to death, he would call his tariff men together and he would fix the tariff rates to suit himself under the present law, and everybody in the Senate knows that that is what he is going to do. You know it well enough. I said then, and I say now, "What is the use of our staying here?"

Mr. President, I think a good deal of my friend the Senator from New Hampshire [Mr. MOSES]. I paired with him the other day because I knew we would not vote alike on anything, and I just let that go as to any question. His remark the other day was just a joke, I think. It might be true, but he did not mean it. [Laughter.] He was just joking. He is too brainy a man and too good a man, and has been too highly honored by the Senate, to make a remark anywhere in reference to his brother Senators like that in earnest. I do not think anybody should have taken it seriously. Instead of paying any attention to it, I think we should have just laughed it off.

Mr. President, I made a statement about this tariff bill—page 4205, CONGRESSIONAL RECORD—on the 30th of May. The bill that came over from the House reminds me, as I said in that letter—and I will change one word in it—that my father on one occasion told me of an old gentleman who was coming along and saw a lot of boys throwing rocks at some frogs in a pond. Every now and then they would hit one and kill him, knock him out. After a while the old gentleman walked off and dropping his head said "That's fine for the boys but it's death to the frogs." I think that is the way with this tariff bill that came over from the House; it is fine for the manufacturers, but it is death to the poor little devil who has to consume and has to work.

I am really honest and sincere in what I have said. I hope nobody will misunderstand it and I do hope that nobody will take any exception to it. I really and truly believe we should quit. A Member of the House of Representatives or the Senate once said of Joe Manley, who had managed the campaign of Tom Reed for the presidential nomination in 1896, that God Almighty hated a quitter. I do not mean for us to quit and stay quit, but let us just take a recess, and come back and start over, get a fresh start, as the boys sometimes say.

I believe that would be best for us, I believe it would be best for the country, to begin to realize the situation as it is to-day. We are going through a farce, and we know it. I do not know whether you would call it a comedy or a tragedy. It may be either one or the other in its conclusion.

I ask, along with my rambling remarks, to have printed an editorial from the New York Times of yesterday, headed "Democratic Dreams."

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, November 12, 1929]

#### DEMOCRATIC DREAMS

The Republican Party in the Senate is in a bad way, and the Democrats are having their biennial dreams of power and glory. It is natural in the circumstances. Representative BYRNS, of Tennessee, chairman of the Democratic Congressional Committee, foresees recapture of the House by his party next year and equally good chances to take control of the Senate. Chairman SHOUSE, of the national executive committee, agrees with him that the trend is that way. Analogies between 1930 and 1922 are seen, and what happened to the Republican control of Congress in 1910 is also pointed out. The analogies are there, and control next year may be obtained. But there is an older analogy, and one more typical of what happens among quarreling Republicans. It goes back to the years 1920 and 1924, when the party warriors buried the hatchet just long enough to defeat the Democrats,

and buried it shallow enough so that they could dig it up right after the election.

It is good Republican politics in the West to fight the eastern stalwarts in Congress and hamper the program of a regular Republican President. But it is bad politics in the West to bolt the national ticket. Senator BORAH's course for 20 years is a perfect example of successful Republican insurgency, for the Senator even supported Mr. Taft in 1912, when a bolt was not suicide, since it merely meant bolting to another Republican, Colonel Roosevelt. In 1920 he and Senator JOHNSON, of California, went storming about the platform committees demanding concessions to their position on international affairs and the nomination for Senator JOHNSON. They got the platform concessions—they always do. They were denied the nomination—they always are. So in the campaign they were regulars, as they were in 1924 and 1928. In between, however, they and their Progressive associates gave the usual encouragement to the Democrats by smiting the regulars hip and thigh. The only exceptions to this progressive method are found in Wisconsin, where the bolder tradition of the elder La Follette is still followed. Elsewhere the regular routine is steady insurgency against the party majority and the White House in Congress; successful demands for platform phrases at conventions; and then refuge under the broad wings of the party dove of peace.

In such times as these come high Democratic hopes and rosy Democratic claims. Imbued with these bright illusions, the Democrats forsake their opportunity to make a party record and form coalitions with the insurgents against the regular Republicans. When election time comes they are promptly deserted by their allies, to be as promptly rejoined when a Republican sits safely in the White House.

Mr. BLEASE. I ask to have inserted in the RECORD an article containing a letter from Congressman FRED H. DOMINICK, of South Carolina, in reference to the iniquities of the tariff.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Herald and News, Newberry, S. C., Tuesday, November 12, 1929]

DOMINICK EXPOSES INIQUITIES OF TARIFF—PASSAGE OF BILL NOW PENDING WOULD MAKE TAX MORE ONEROUS—SENECA MAN INFORMED CONGRESSMAN'S VIEWS—SOUTHERN TARIFF ASSOCIATION SAID TO BE CONTROLLED BY GRASPING REPUBLICANS

Dr. Wade Stackhouse, of Dillon, an advocate of a high tariff on agricultural products, has recently sent to leading men and newspapers over the State a blank petition and a letter in which the recipient is asked to have the petition indorsing rates, suggested by the Southern Tariff Association, signed and sent to a member of the South Carolina delegation in Congress. W. C. King, of Seneca, got one of these petitions, and, after getting it signed up, sent it to Congressman FRED H. DOMINICK. Mr. DOMINICK made the following reply:

Mr. W. C. KING,  
Seneca, S. C.

DEAR MR. KING: I am in receipt of a petition to the United States Senators and Members of Congress from South Carolina, signed by yourself and 21 other citizens of Seneca, requesting them to use every effort to secure the same amount of protection for the products of South Carolina that is given products of the United States as a whole and to see that the South Carolina farmer is given a square deal in tariff legislation. The petition closes with a respectful request "to vote for the tariff bill as a whole when this has been done."

I regret that it is not possible for me to comply with this request, and I am satisfied that those who have signed this petition will agree with me when they have given the matter more mature and thoughtful consideration. The present Fordney-McCumber Act is bad enough, but it will not be a circumstance to the bill which has passed the House at this special session of Congress and is now pending in the Senate. Everything in it, to my mind, will tend to put the farmer, especially in our section, and consumers in general, in a much worse shape than they are in now.

Under the present law the revenues from the tariff amount to about \$600,000,000 annually, which is only about one-seventh of the amount of revenue necessary to run the Federal Government, as our appropriations now amount to something over \$4,000,000,000 annually. While this amount is collected by the Government from the tariff duties it is estimated that the protected industries collect from the consumers anywhere from \$6,000,000,000 to \$8,000,000,000, which goes not to the Federal Treasury but into the pockets of these protected industries.

The present tariff duties on the various articles and commodities will average from 40 per cent to 45 per cent ad valorem, which just of itself increases the price of these products not only to the farmer but to all consumers nearly 50 per cent. The proposed tariff bill as it passed the House provides for a further increase averaging from 15 per cent to 20 per cent, which, of course, will make these tariff duties more obnoxious.

As we all know, it is not possible to aid short-staple cotton farmers by a tariff on account of the fact that a great deal more than half of his product is surplus over domestic consumption. No short-staple cotton

whatever is imported and he has to sell his surplus in a free world market and buy everything he uses, including automobiles, trucks, wagons, buggies, farm implements and machinery, harness, clothes, shoes, sugar, and other things in a highly protected market.

In my judgment, the best way to help the cotton farmer and everybody else in our section of the country would be to reduce the schedules on those things he has to buy, but instead of lowering these duties they are proposing to raise these.

The present tariff laws are bad enough, but the bill now under consideration is so obnoxious that I hope it will never become a law, no matter how it may be amended. It is so obnoxious that even the Republican Party can not stand for it, as is shown by the division and dissension among the Republicans in the Senate at this time.

I understand the petition which you have signed is instigated by representatives of the Southern Tariff Association, which claims to be a Democratic organization, but which I understand is in fact controlled by high-protection Republicans. It is interesting to read of their methods in trying to get tariff legislation as it is being disclosed by the Senate lobby investigating committee at the present time in Washington.

By your petition you request me to indorse this organization and its methods. By your petition you request me, in order to obtain some slight seeming advantage, to vote for a bill and thereby perpetuate a policy which has made and is making one section of our country richer and our section poorer. I can not get my consent to vote for such a measure.

With kind personal regards and best wishes, I am,

FRED H. DOMINICK.

NEWBERRY, S. C., November 8, 1929.

Mr. BLEASE. I also ask to have inserted in the RECORD a letter from the Hon. E. T. Coker to Senator SMITH, of South Carolina.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Charleston News and Courier, November 10, 1929]  
NO FARM RELIEF SEEN IN TARIFFS—STAND OF SENATOR E. D. SMITH COMMENTED BY RESIDENT OF SOCIETY HILL

"Tariff relief is farm relief," E. T. Coker, of Society Hill, reiterates in an open letter to Senator E. D. SMITH. A copy of this letter sent the News and Courier by Mr. Coker follows:

SOCIETY HILL, S. C., November 8, 1929.

Senator E. D. SMITH,  
Washington, D. C.

DEAR SENATOR: Reading in the Columbia State of Sunday, November 3, the open letter of my esteemed friend Doctor Stackhouse advocating the tariff as a remedy for the farmers, I am writing to commend your course in standing for free trade and downward revision of the tariff during your 20 years of service as Senator.

As much as I admire Doctor Stackhouse's ability as a business man and his work in the interest of our farmers, I feel that he is mistaken in advocating the tariff as a remedy for our ills.

When we consider that every dollar paid to the protected party is paid by the citizens of our country its fallacy seems apparent, for unless it benefits both Peter (the unprotected many) and Paul (the comparatively few protected) in the process of "robbing Peter to pay Paul," there is no gain whatever but rather an impoverishing of the Peters to make millionaires or billionnaires of the Pauls.

In addition to the expense of paying the tariff to the Pauls there is the additional expense necessary in paying customs officers, etc., to see that the Peters are properly robbed. I believe Doctor Stackhouse is mistaken in attributing to the tariff the prosperity of the United States. Any country possessed of its vast resources in soil and mineral wealth, coupled with an intelligent population to develop them, was bound to be prosperous, and while the tariff has made many millionaires and a few billionnaires, it has been one of the main sources of the farmer's distress, for while very few of his products have received any benefit from protection the cost of producing them has been greatly increased by the enhanced cost of all his purchases which were protected. Though I have no statistics at hand, I believe this enhanced cost amounts to 20 per cent or more, and no business man can flourish under such a burden.

Our tariff advocates boast of the benefits they have given farm products, such as wheat at 42 cents and corn at 15 cents per bushel duty, but anybody can look at market reports and see that the duty has not raised the price a penny, and neither would Doctor Stackhouse's suggestion that a 2-cent duty on cotton would increase the price of our South Carolina crop by \$8,000,000 raise its price by 1 cent, for, as shown by wheat and corn, no duty is effective when there is a large surplus for export. A subsidy of 2 cents per pound, as proposed by the export debenture, would probably be effective, but no such plan will be tolerated by our tariff advocates.

Senator BORAH was right in his answer to the tariff advocates in their contention that the duties on manufactured articles benefit the farmers by the increased sales of his products due to more profits and higher

wages in their industry, when he contends that the same rule would apply to subsidies on farm products, enabling farmers to purchase more of their protected products.

The fact is that if the first proposition be true, the second is equally true. I contend that if all production should be protected or subsidized equally, the effect would be brought about less expensively and with the same effect by inflating the currency, say, by reducing the gold content of the dollar. A dollar value is in the product it will put in possession of the owner, and there can be no advantage in having two dollars if two are required to obtain the same products. In fact all these propositions are fallacies, as all disinterested economists have shown, and the only purpose is to increase the favored industries at the expense of every consumer of its products—a tax on all its citizens, not for the expense of the Government but for individual gain.

Protection by means of the tariff is partial slavery in that it compels the labor of the unprotected to the extent required to pay the enhanced price due to tariff; therefore I hope free trade is not as dead as slavery, as Doctor Stackhouse believes. Slavery was a relic of barbarism, wrong economically and morally, and necessarily died in the progress of civilization. Free trade has been advocated by our greatest statesmen, such as Jefferson, Cleveland, and Wilson. Even Roosevelt wrote a book advocating it, and in our own State J. C. Calhoun, D. R. Williams, George W. Dargon, and all of our greatest statesmen were active advocates of it, both in and out of Congress. I believe they were right and that free trade is not dead but true economically—that "truth is mighty and will prevail." I believe also that the old Democratic slogan, "Equal rights to all, special privilege to none," is sound doctrine and will ultimately be accepted.

In the contest for a Democratic slogan a few years ago there was one which seemed to me to be most appropriate—"Tariff relief is farm relief." We are not interested in making more millionaires or billionaires but rather in making more thousandaires among our farmers.

I believe you are sound on the tariff, and write this open letter not for your instruction but hoping it will counteract the fallacies as they appear to me in Doctor Stackhouse's open letter.

Yours for downward revision of the tariff and for ultimate free trade.

E. T. COKER.

Mr. BLEASE. I also ask to have inserted in the RECORD an article by the Hon. T. H. Harlee, of Florence, S. C.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the State, Columbia, S. C., November 7, 1929]

PROTECTIVE TARIFF NO AID TO FARMER, MR. HARLEE WRITES TO DOCTOR STACKHOUSE—"WHEN I GET READY TO JOIN THE REPUBLICAN PARTY I WILL GO THE WHOLE HOG AND WALK UP AND PUT MY FEET IN THE TROUGH WITH THE OTHER HOGS"

TO THE EDITOR OF THE STATE:

I inclose a circular letter from Dr. Wade Stackhouse and my reply. I should be glad for you to publish them if you think it worth while.

I wish at this time to express to you my very high appreciation of the State. It is by far the best daily that I see. May you live long to point out and stress through its columns the things that make for good citizenship.

T. H. HARLEE.

FLORENCE.

#### THE STACKHOUSE CIRCULAR

To the Citizens of South Carolina:

We are inclosing two petitions with suggested rates on South Carolina products to be incorporated in the new tariff bill.

If you approve, please sign both petitions and secure immediately as many other signatures as possible, forwarding one each to Hon. COLE L. BLEASE and Hon. ELLISON D. SMITH, Senate Office Building, Washington, D. C.

The tariff bill now in the Senate will be in force for eight years and the time has arrived for effective action both on the part of citizens of South Carolina and our Representatives in Washington.

Yours very truly,

WADE STACKHOUSE,  
Chairman South Carolina Division,  
Southern Tariff Association.

DILLON, October 31.

MR. HARLEE REPLIES

DR. WADE STACKHOUSE,

President Southern Tariff Association, Dillon, S. C.

DEAR SIR: I return to you herewith petitions to which you suggested that I get signatures—which petitions ask our Representatives in Congress to use their efforts to have certain products protected by a tariff. I can not do this. I am a "free trader" in principle and can not stultify myself by advocating a policy that I believe to be wrong.

You say that free trade is as dead as slavery. I beg leave to disagree with you. A principle can not die. It is kept down by the Re-

publican Party, which is owned and controlled by the corporations that are enriched by a robber tariff. A tariff for revenue is a tax. A tariff for protection is a steal, and that is all there is to it. I am not willing to be made a party to such a steal even though it put a few paltry dollars in my pockets.

All this talk of helping the farmer by a protective tariff is a delusion and a snare. As I see it there is only one way in which the Government can help the farmer and that is by tearing down this high protective wall, so that he may trade in the markets of the world, and by reducing the robber freight rates to a reasonable basis, so that he can get his produce to market without paying all his profits to the carriers and can get those things that he must purchase delivered on the same basis.

Holding these views, I can take no part in trying to rob the whole people for the benefit of the few. When I get ready to join the Republican Party I will go the whole hog and walk up and put my feet in the trough with the other hogs.

Yours truly,

T. H. HARLEE.

FLORENCE.

P. S.—I have just seen the following in the Atlanta Journal of Sunday, November 3, page 2, column 3: "The Southern Tariff Association is a Republican organization and has been for years," Senator HARRIS said in commenting on the testimony. \* \* \* So there you are!—T. H. H.

Mr. BLEASE. I ask to have printed in the RECORD an interview given by me to Mr. P. H. McGowan, at his request, and published in the Columbia (S. C.) State on Sunday, November 10.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Columbia (S. C.) State, November 10, 1929]

In answer to your inquiry, which I thank you for making, it seems to me to be almost intruding upon the patience of the people for me to restate my position on the tariff question.

I have stated repeatedly on the floor of the Senate that I am absolutely opposed to a high protective tariff; that I am opposed to any protective tariff; that I am opposed to any tariff except for revenue. This is the Democratic doctrine, pure and simple, and has been ever since the beginning of the Democratic Party.

The protective tariff is really the only difference between the Republican and the Democratic Parties, and if you could abolish that plank in the two platforms the Republican Party would have nothing to stand upon. As to Doctor Stackhouse's petitions, I have had absolutely nothing to do with them and was surprised when I received letters in which it was stated that they were sending me petitions as "per my request," which evidently showed that some people had understood Doctor Stackhouse's circular letter in which he requested that a copy of the petition be mailed to Senator SMITH and a copy to me, to intimate that we were asking for such petitions.

I can not speak for Senator SMITH, but as for myself, there was never a more erroneous interpretation of any paper, in so far as I am concerned.

I have received such petitions and they are now on file in my office.

In accordance with the oath which I took when I became a candidate for the Senate, "I will support the political principles and policies of the Democratic Party and work in accord with my Democratic associates in Congress on all party questions," as I have done since I have been in the Senate.

I repeat, once and for all, that I am against any tariff save for revenue only, and the bill which came from the House to the Senate I denounced on May 30, 1929, as iniquitous, and I shall vote against it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BLEASE. I yield.

Mr. COPELAND. I want to say to the Senator that I wish I had made the speech he has just made. It is a shame to think we overlook that death places a premium on the hardest working Members of the Senate. We know that is exactly what happens when we reflect that in 10 years 37 or 38 Members have died, men who were actively engaged in the work of the Senate.

I have seen what the Senator from South Carolina has mentioned—the frayed nerves, and the irritability, and the tired faces of the Members of the Senate. I have said before that I am sorry I am a doctor. I say that now. I am sorry as I look around to have to figure out which men will be the first to die.

It is a shame that we go on now. Everybody wants to adjourn. With two exceptions only, every man with whom I have talked on either side of the Chamber has said, "Yes; let us adjourn." Yet we just stay because we are afraid of the politics of it.

I get sick and tired, as a Democrat, of hearing what the Democrats are going to do. Nobody has talked to me in any official way about adjourning, and I am sure nobody has talked to the Senator from South Carolina about it. But, in my opinion, the country wants a moratorium in the Senate just as much as it wants a moratorium on Wall Street. I think the Senator from South Carolina is right, that, in the interest of the good health of Senators, as well as for the welfare of the country, we ought to adjourn and resume our work in December.

Nobody believes this tariff bill can be passed in the next two weeks. Nobody believes it can be passed before the 1st of January. We might just as well do what the Senator from South Carolina has said, and come back in better health and in better spirits, and then we will have a better tariff bill, if it is possible to build a better tariff bill on the poor foundation handed us by the Finance Committee.

I add my plea to what has been said by the Senator from South Carolina, and I hope the Senate will adjourn very speedily.

Mr. BLEASE. Mr. President, I thank the Senator from New York for his remarks and am glad that he agrees with my views in this matter.

Mr. HARRISON. Mr. President, I do not know whether the country wants a moratorium in the case of the Senate or not. I do know this, that there never has been a body of men that has worked harder than has the Senate of the United States for the past two months or more in the consideration of the pending tariff bill. I know that no one can controvert this statement, that never in the consideration of any tariff bill has the Senate made greater progress than in the consideration of this bill.

The Democratic Party is not responsible for the calling of the extra session. We had nothing to do with it. We did vote for farm relief, and we are voting and have voted, and are very proud of our votes, to change many of the recommendations of the Finance Committee and the House lifting rates above those in the present law.

I believe that these business elements of the country that sought high-tariff rates, were very well satisfied with the act passed in 1922. The farmers of the country, the great agricultural interests, were not satisfied, because, as has been pointed out in speech after speech here, there were inequalities of treatment, there were injustices and discriminations. We have tried to map our program here so as to eliminate proposed increases that were unjustified by the facts, and propose, when we get to the agricultural schedule, to give agriculture some relief, as far as we can give it by a tariff, and we hope that the inclusion of the debenture plan in this bill will give the farmers more relief than the adoption of the farm-relief program.

There is much that the Senator from South Carolina has said that is true; that is, that Senators are tired, that there are irritations, and so on. There is high tension, and Senators are in a nervous state. But that can not be helped. For seven months some of us, those of the minority on the Finance Committee—and it applies to the majority members of the Finance Committee as well—have remained here in Washington without, in most instances, a single recess or vacation, considering the thousands and thousands of items in this tariff bill, trying to prepare ourselves by counsel with the Tariff Commission and from other sources to get the facts so that we might intelligently assist in writing this tariff bill.

Personally I have not been away from Washington. I do think that the time is going to come when there should be a recess of a week or 10 days before we meet in December. I would not like at this particular time to see a resolution presented to adjourn now. We are moving along, may I say, pretty rapidly. When we reach an item in the bill, such as the item of shingles, in which the people of the Northwest are interested, of course it is going to take some time for consideration. When we reach the item of sugar, in which the American people generally are interested, and in which there are certain localities interested, there is going to be considerable debate provoked. There may be other items which may provoke unusual and detailed discussion. But on shingles alone we have occupied only a day and a half. The time has been in the consideration of tariff bills when two weeks would have been a short time for the consideration of such an important item as this.

I hope that those on the other side and the Senate unanimously can, along about the 21st or 22d or 23d of the month, pass a resolution of adjournment, in order to give Senators time to go home for at least a week, in order that they may look after some of their own personal and private affairs that have long been delayed because we have been compelled to remain here.

When the time comes and such a resolution is offered, I shall vote for an adjournment for a week or such a matter as that; but at this particular time I do not think it will hurt anybody more than he has already been hurt to stay here until next week, at least. Let us try to push forward the agricultural schedule, and before we adjourn let us take some action that will give assurance of help as far as possible to the great agricultural interests of the country.

Mr. JONES. Mr. President, I hope we may get a vote on the matter that is now pending. All I want to say now is that on yesterday I mentioned Mr. J. H. Bloedel in my address, and I have received a telegram from him which he would like to have inserted in the RECORD. It is fair to him to have that done, and I am glad to do it. Therefore I ask that this telegram may be incorporated in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SEATTLE, WASH., November 13, 1929.

HON. WESLEY L. JONES,

United States Senate, Washington, D. C.:

I read your speech on shingles in to-night's Seattle Times, in which you refer to my ownership of timber in Canada as being the reason for my advocacy of free shingles. The decline in shingle production in the State of Washington is due largely to the increased substitute roofing competition and the diminishing cedar-timber supply. These are economic conditions which can not be corrected by a tariff, and I so stated in my testimony. Nor was my judgment influenced solely by my Canadian interests, because my American interests were much greater than my Canadian interests. All this is in my testimony. I also testified the wages paid in my Canadian shingle mill approximate 10 per cent higher than those paid in my American mills. The schedule of wages is on file with my testimony before the Ways and Means Committee. This is in contradiction of your statement that wages are lower in Canada. Your statement that water transportation from British Columbia to the Atlantic seaboard is 10 to 15 cents per thousand shingles less than American shipments is in error.

I am operating on both sides of the line and ship 75 per cent of Canadian shingles intended for water-borne shipments by local freight to the Bellingham Docks to be reshipped on American vessels to the Atlantic seaboard, whereas shingles shipped from my American mills in the same vessel are loaded direct on board and save the local freight charge. Occasionally rates are made on both sides of the line lower than normal, but the average movement is correctly stated as above. Your statement that Americans owning timber in Canada, especially with reference to myself, made most of their money during a period of tariff protection should also be corrected. During my 32 active years in lumbering there have been only 4 years of protection—from 1909 to 1913—the greatest period of expansion of the industry in which any American company has shared in since 1913, and can not be laid to protection. I think it is only fair to me in view of your statements on the floor of the Senate that the gist of this telegram be read or embodied in the CONGRESSIONAL RECORD. I have always respected the sincerity of your views and ask for equal consideration of mine.

J. H. BLOEDEL.

Mr. BLEASE. Mr. President, I did not have any idea of asking for a vote now on my resolution. I made my few remarks in the hope that Senators would begin to think over it. But I do expect to ask consideration of the resolution on Friday morning, fixing a time in the near future to give ourselves and our collaborators a much-needed rest.

Mr. NYE. Mr. President, during the debate this morning on the proposed shingle duty I made the statement that approximately 70 per cent of the consumption of shingles in the United States was by farmers and farm communities, and I was asked for the authority for such a statement. Going through my files I find that I gained my impression relating to that matter from the various briefs and resolutions adopted by national farm organizations.

Further investigation disclosed that they obtained their information, in turn, from lumber journals, and I ask to have incorporated in the RECORD a table taken from the West Coast Lumberman of July 15, 1928, showing the 3-year rail distribution by States of shingles at that time.

A study of this table will show that the estimate that the farm people have made of the amount of the entire production of shingles that they consume is quite conservative, to say the least.

I also ask to have incorporated in the RECORD a partial list of the farm, lumber, and civic organizations which are on record protesting against a shingle duty.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the West Coast Lumberman of July 15, 1928]  
 DISTRIBUTION OF NORTHWEST LUMBER AND SHINGLES, BY STATES, FOR THE  
 PAST THREE YEARS  
 Three-year rail distribution, by States

	1925		1926		1927	
	Cars	Percent <sup>1</sup>	Cars	Percent <sup>1</sup>	Cars	Percent <sup>1</sup>
<b>Pacific Coast States:</b>						
California.....	421	1.63	401	1.54	593	2.49
Oregon.....	129	.50	201	.77	529	2.23
Washington.....	1,494	5.77	1,633	6.28	1,434	6.08
Subtotal.....	2,044	7.90	2,235	8.59	2,556	10.75
<b>Intermountain States:</b>						
Arizona.....	24	.09	31	.12	43	.18
Colorado.....	514	1.99	464	1.79	449	1.89
Idaho.....	219	.85	254	.98	254	1.07
Montana.....	196	.76	185	.71	194	.82
Nevada.....	14	.05	17	.07	31	.13
New Mexico.....	47	.18	42	.16	33	.14
Utah.....	237	.92	287	1.10	232	.97
Wyoming.....	84	.32	99	.38	88	.37
Subtotal.....	1,335	5.16	1,378	5.31	1,324	5.57
<b>Middle Western States:</b>						
Illinois.....	1,193	4.61	1,013	3.90	1,198	5.04
Iowa.....	1,361	5.26	1,357	5.22	1,043	4.38
Kansas.....	1,253	4.84	1,326	5.10	1,097	4.61
Minnesota.....	3,140	12.13	3,308	12.73	2,287	9.62
Missouri.....	1,547	5.98	1,298	4.99	1,616	6.79
Nebraska.....	1,455	5.62	1,185	4.56	1,013	4.26
North Dakota.....	344	1.33	341	1.31	306	1.29
South Dakota.....	853	3.30	561	2.16	406	1.71
Wisconsin.....	948	3.66	1,102	4.24	834	3.51
Subtotal.....	12,094	46.73	11,491	44.21	9,800	41.21
<b>Southwestern States:</b>						
Arkansas.....	331	1.28	393	1.51	420	1.77
Louisiana.....	123	.47	96	.37	96	.40
Oklahoma.....	1,381	5.34	1,414	5.44	1,329	5.59
Texas.....	1,381	5.34	2,434	9.37	2,339	9.83
Subtotal.....	3,216	12.43	4,337	16.69	4,184	17.59
<b>Central Freight Association States:</b>						
Indiana.....	578	2.23	632	2.43	543	2.28
Michigan.....	1,650	6.38	1,604	6.17	1,110	4.67
Ohio.....	904	3.49	772	2.97	663	2.79
Subtotal.....	3,132	12.10	3,008	11.57	2,316	9.74
<b>Eastern States:</b>						
Virginia.....	38	.15	35	.13	38	.16
Delaware.....	28	.11	13	.05	19	.08
District of Columbia.....	11	.04	2	.01	6	.03
Maryland.....	215	.83	143	.55	81	.34
New Jersey.....	572	2.21	530	2.04	424	1.78
New York.....	1,350	5.22	1,103	4.24	1,134	4.77
Pennsylvania.....	343	1.33	385	1.48	385	1.62
West Virginia.....	27	.10	29	.11	11	.04
Subtotal.....	2,584	9.99	2,240	8.61	2,098	8.82
<b>New England States:</b>						
Connecticut.....	287	1.11	264	1.02	254	1.07
Maine.....	17	.06	19	.07	35	.15
Massachusetts.....	264	1.02	289	1.11	248	1.04
New Hampshire.....	19	.07	12	.05	12	.05
Rhode Island.....	23	.09	29	.11	14	.06
Vermont.....	46	.18	53	.20	31	.13
Subtotal.....	656	2.53	666	2.56	594	2.50
<b>Southeastern States:</b>						
Alabama.....	88	.34	61	.24	117	.49
Florida.....	11	.04	7	.03	5	.02
Georgia.....	59	.23	31	.12	11	.04
Kentucky.....	283	1.09	207	.80	204	.86
Mississippi.....	47	.18	85	.33	107	.45
North Carolina.....	204	.79	161	.62	151	.63
South Carolina.....	38	.15	16	.06	66	.28
Tennessee.....	88	.34	68	.26	137	.58
Subtotal.....	818	3.16	636	2.46	898	3.78
<b>Foreign.....</b>					11	.04
<b>Grand total.....</b>	<b>25,879</b>	<b>100.00</b>	<b>25,961</b>	<b>100.00</b>	<b>23,781</b>	<b>100.00</b>

<sup>1</sup> Percentage of distribution to each market in relation to entire rail movement.

**PARTIAL LIST OF FARM, LUMBER, AND CIVIC ORGANIZATIONS EMPHATICALLY PROTESTING ANY TARIFF ON LUMBER, LOGS, OR SHINGLES**

**NATIONAL ORGANIZATIONS**

National Retail Lumber Dealers' Association.  
 The National Grange.

**REGIONAL ORGANIZATIONS**

Northwestern Lumbermen's Association.  
 Northeastern Retail Lumbermen's Association.  
 Central Livestock Cooperative Association.

Northwestern Wool Growers' Association.  
 Union Association of Lumber & Sash & Door Salesmen.  
 Western Pine Manufacturers Association.  
 Northern Wholesale Hardwood Lumber Association.

**STATE AND LOCAL ORGANIZATIONS**

California: Associated California Fruit Industries; Tom McCann Hoo Hoo Club, No. 55, McCloud, Calif.  
 Colorado: Colorado State Farm Bureau Federation; The Farmer's Educational and Cooperative Union of Colorado.  
 Illinois: Illinois Lumber & Material Dealers Association.  
 Indiana: Indiana State Grange; Indiana Farm Bureau Federation; Indiana Legislature.  
 Iowa: Iowa Farm Bureau Federation; Iowa State Legislature; Iowa Cooperative Livestock Shippers' Association; Eastern Iowa Lumbermen's Association; Retail Lumber Dealers of Iowa; Iowa Farmers Educational and Cooperative Union of America.  
 Kansas: Kansas State Grange; Kansas State Board of Agriculture; Kansas Farm Bureau Federation.  
 Maine: Maine Farm Bureau Federation.  
 Massachusetts: Massachusetts Wholesale Lumber Association (Inc.); Retail Lumber Dealers Association of Springfield; Old Colony Builders Supply Association.  
 Maryland: Lumber Exchange of Baltimore City.  
 Michigan: Michigan Retail Lumber Dealers Association; Michigan Fruit Growers (Inc.).  
 Minnesota: Minnesota delegation to Congress; Minnesota State Legislature; Minnesota Farm Bureau Federation; Bayport Improvement Club; Twin City Hoo Hoo Club.  
 Nebraska: Nebraska Farm Bureau Federation; Nebraska State Legislature.  
 New Jersey: Board of Realtors of East Orange; New Jersey Lumbermen's Association; Hudson County Lumbermen's Club.  
 New York: Buffalo Chamber of Commerce; Buffalo Lumber Exchange; Building Materialmen's Association of Westchester County; Chamber of Commerce of the Tonawandas; Long Island Dealers' Association; Master Sign Makers Association of New York and Vicinity; New York Lumber Trade Association; New York State Grange; New York State Farm Bureau Federation; Retail Lumber Dealers Association of New York.  
 Ohio: Ohio Farm Bureau Federation; Ohio Farmers Protective Association; Ohio Association of Retail Lumber Dealers, No. 1; Ohio Association of Retail Lumber Dealers, No. 11; Cleveland Lumber Institute.  
 Oregon: Pacific Cooperative Wool Growers; Oregon State Grange; McMinnville Growers Association.  
 Pennsylvania: Pennsylvania Farm Bureau Federation; Pittsburgh Wholesale Lumber Dealers Association; Pittsburgh Association of Lumber Salesmen; Western Pennsylvania Retail Lumber Dealers Association.  
 Rhode Island: Providence Chamber of Commerce; Lumber Dealers of Rhode Island.  
 South Dakota: South Dakota Farm Bureau Federation.  
 Tennessee: Tennessee Retail Lumber and Millwork Dealers Association.  
 Texas: Dallas Retail Lumbermen's Association; Lumbermen's Association of Texas; Texas Farm Bureau Federation.  
 Vermont: Burlington Chamber of Commerce.  
 Washington: Farmers Union of North Central Washington; Washington State Grange; Washington Cooperative Egg and Poultry Association.  
 Wisconsin: Wisconsin Retail Lumbermen's Association; Wisconsin Farm Bureau Federation; Wisconsin State Legislature; Wisconsin Council of Agriculture; Wisconsin State Grange; Wisconsin State Horticultural Society.

Mr. NYE. Mr. President, I send to the desk, not for incorporation in the RECORD but for filing in the Senate files, various petitions and resolutions adopted by sundry organizations in opposition to a duty on shingles.

The VICE PRESIDENT. The memorials will be filed and lie on the table.

Mr. WALSH of Massachusetts. Mr. President, I should like to inquire of the Senator from Washington if it is desired to have a record vote on the pending question.

Mr. DILL. I think we ought to have a record vote on the question.

Mr. WALSH of Massachusetts. Then I suggest that we take the vote immediately, the debate being ended. We are all ready for a vote, I understand.

Mr. DILL. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

- |         |           |         |             |
|---------|-----------|---------|-------------|
| Ashurst | Bratton   | Couzens | Fletcher    |
| Barkley | Brock     | Cutting | Frazier     |
| Bingham | Brookhart | Dale    | Gillett     |
| Black   | Broussard | Denen   | Glass       |
| Blaine  | Capper    | Dill    | Glenn       |
| Blease  | Connally  | Edge    | Goff        |
| Borah   | Copeland  | Fess    | Goldsbrough |

Greene	Keyes	Pittman	Thomas, Okla.
Hale	La Follette	Ransdell	Townsend
Harris	McKellar	Reed	Trammell
Harrison	McMaster	Robinson, Ind.	Tydings
Hatfield	McNary	Sackett	Vandenberg
Hawes	Metcalf	Schall	Wagner
Hayden	Moses	Sheppard	Walcott
Hebert	Norbeck	Shortridge	Walsh, Mass.
Heflin	Norris	Simmons	Walsh, Mont.
Howell	Nye	Smoot	Waterman
Johnson	Overman	Steck	Wheeler
Jones	Patterson	Steinwer	
Kean	Phipps	Stephens	
Kendrick	Pine	Thomas, Idaho	

Mr. SCHALL. I would like the RECORD to show that my colleague [Mr. SHIPSTEAD] is still ill.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present. The question is on agreeing to the committee amendment, on page 118, line 9, to strike out paragraph 403, relating to a tariff on shingles.

Mr. JONES. Mr. President, I am going to propose an amendment to the text of the bill if I may do so. I desire to strike out "25" and insert "10," if it is the proper way to perfect the text of the paragraph first.

The VICE PRESIDENT. The amendment is in order.

Mr. JONES. Then I move to strike out "25" and insert "10." I shall not take time to discuss my amendment.

Mr. DILL. Mr. President, I want to say that I have been in favor of a substantial tariff on shingles, but I recognize that in these contests we can not always get what we want. There are many Senators who sincerely believe that none of this tariff would go to the shingle-mill workers. I rather appeal to them to let us try a 10 per cent tariff and see what the result will be. That will not be a very big burden upon anyone. It would be enough to show whether or not it will do any good, and if it will not do any good to the workers themselves I shall be among the first to help tear it down. If it will do good, then I am sure those who have been most strenuous in opposing a rate on shingles will not object. I hope we may agree on a 10 per cent tariff.

Mr. SMOOT. Mr. President, I understand the motion of the senior Senator from Washington is in effect that we disagree to the committee amendment with an amendment.

Mr. JONES. Whatever will accomplish the result of making it a 10 per cent instead of a 25 per cent rate is my desire.

The VICE PRESIDENT. The motion may be made in either way. The Senator's motion is to strike out "25" and insert "10."

Mr. SMOOT. Then the whole paragraph would be stricken out and the item would remain on the free list. What I want, if the amendment is agreed to fixing the rate at 10 per cent, is then to have the Senate at once disagree to paragraph 1761, placing shingles on the free list.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington to the amendment of the committee. [Putting the question.] The noes seem to have it.

Mr. JONES. I ask for a division.

On a division, the amendment to the amendment was agreed to.

Mr. WALSH of Massachusetts. Mr. President, this is a question of such importance that I think the American people have a right to know where we stand on it. Therefore I ask for the yeas and nays.

Mr. GLASS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GLASS. If the amendment proposed by the Senator from Washington should be adopted does that conclude the consideration of this particular paragraph?

The VICE PRESIDENT. It does not. The question then would be on the committee amendment as amended. The request for the yeas and nays submitted by the Senator from Massachusetts came too late. It came after the Chair had announced the result.

Mr. WALSH of Massachusetts. I ask for the yeas and nays now on the amendment as amended.

The yeas and nays were ordered.

Mr. JONES. Mr. President, I want to have the situation clearly understood. As I understand it, the vote now is to strike out the committee amendment as amended. A vote "yea" is a vote to strike it out, while a vote "nay" is a vote to retain it.

The VICE PRESIDENT. A vote "nay" would leave the rate at 10 per cent.

Mr. BARKLEY. Mr. President, the language of the House carries a 25 per cent rate. The amendment offered by the committee proposes to strike out the paragraph and put shingles on the free list. The Senate has just adopted an amendment to the committee amendment making the rate 10 per cent. On

the roll call about to be taken a vote "yea" is to adopt the rate of 10 per cent?

The VICE PRESIDENT. No; a vote "yea" is to adopt the committee amendment as amended.

Mr. BARKLEY. Then what becomes of the House language?

The VICE PRESIDENT. The House language has been amended by striking out "25" and inserting "10." If the amendment of the committee as amended is defeated, the provision stands with 10 per cent instead of 25 per cent.

Mr. BARKLEY. How is a Senator to vote who wants to leave shingles on the free list?

The VICE PRESIDENT. He would vote "yea."

Mr. WALSH of Montana. Mr. President, what is the real question before the Senate? As I understand it the House provision is amended by changing the rate from 25 per cent to 10 per cent. The question is now, is it not, upon the adoption of the committee amendment as amended?

The VICE PRESIDENT. That is correct. The question is to strike out the whole of paragraph 403 as amended.

Mr. GLASS. It is to strike out, and those who vote "yea" vote to keep shingles on the free list?

The VICE PRESIDENT. That is correct.

Mr. DILL. Mr. President, will the Chair state in language we can understand, because of the parliamentary mix-up, that a vote "yea" strikes out all of the tariff and leaves shingles on the free list, while a vote "nay" grants a 10 per cent ad valorem rate?

The VICE PRESIDENT. The Senator is correct. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the senior Senator from Delaware [Mr. HASTINGS] and vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. He not being present, I withhold my vote.

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Kansas [Mr. ALLEN] with the Senator from Utah [Mr. KING];

The Senator from Indiana [Mr. WATSON] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Nevada [Mr. ODDIE] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from Maine [Mr. GOULD] with the Senator from Arkansas [Mr. CARAWAY].

I wish also to state that my colleague the junior Senator from Ohio [Mr. McCULLOCH] is necessarily detained from the Senate.

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mr. CARAWAY], the Senator from Mississippi [Mr. STEPHENS], the Senator from Virginia [Mr. SWANSON], and the Senator from Georgia [Mr. GEORGE] are absent because of official business.

I also desire to state that the Senator from Utah [Mr. KING] is absent on account of illness.

The result was announced—yeas 49, nays 29, as follows:

YEAS—49			
Barkley	Deneen	Keyes	Steck
Bingham	Fess	La Follette	Thomas, Okla.
Black	Frazier	McKellar	Townsend
Blaine	Glass	McMaster	Tydings
Borah	Glenn	Norbeck	Vandenberg
Brook	Goldsborough	Norris	Wagner
Brookhart	Greene	Nye	Walcott
Capper	Harris	Patterson	Walsh, Mass.
Connally	Harrison	Robinson, Ind.	Walsh, Mont.
Copeland	Hawes	Sackett	Wheeler
Couzens	Hayden	Schall	
Cutting	Heflin	Sheppard	
Dale	Howell	Simmons	
NAYS—29			
Ashurst	Goff	McNary	Smoot
Blaise	Hale	Metcalf	Steinwer
Bratton	Hatfield	Moses	Thomas, Idaho
Broussard	Hebert	Phipps	Trammell
Dill	Johnson	Pittman	Waterman
Edge	Jones	Ransdell	
Fletcher	Kean	Reed	
Gillett	Kendrick	Shortridge	
NOT VOTING—17			
Allen	King	Robinson, Ark.	Warren
Caraway	McCulloch	Shipstead	Watson
George	Oddie	Smith	
Gould	Overman	Stephens	
Hastings	Pine	Swanson	

So the committee amendment as amended was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

Mr. SMOOT. Mr. President, according to the agreement of yesterday, we will now return to the watch-and-clock paragraph, on page 90, paragraph 367.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Kentucky?

Mr. SMOOT. I yield.

Mr. BARKLEY. I desire at this time to offer the amendment to paragraph 367, which I had printed a day or two ago.

Mr. SMOOT. I want to ask the Senator from Kentucky a question in order that Senators may know precisely what the Senator's amendment is. As I understand, the Senator from Kentucky now offers an amendment as a substitute for paragraph 367, which is precisely the existing law.

Mr. BARKLEY. The amendment which I offer is a substitute for the Senate committee provision, in the nature of a reenactment of paragraph 367 of the present law.

The VICE PRESIDENT. The Chair is advised that the Senator's amendment may only be offered by unanimous consent. Is unanimous consent given for that purpose?

Mr. SMOOT. I think that is the only way in which the amendment may be now received.

Mr. BARKLEY. The best way to deal with it is to clean it up while we are at it. I do not care to take up time in discussing the parliamentary situation, but I ask unanimous consent that the amendment may be offered at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Secretary will state the amendment.

Mr. REED. Mr. President before the substitute offered by the Senator from Kentucky is considered, I should like to offer certain clerical amendments to the committee amendment.

The VICE PRESIDENT. The amendments are in order, inasmuch as the committee amendment is to strike out.

Mr. REED. I desire to explain the nature of the amendments which I propose. If Senators will look at page 94, line 8, they will notice a proviso in the paragraph relating to the tariff on parts which limits the low rate of duty in the paragraph to 4 per cent of the value of all the completed movements that are brought in at the same time. The idea of the Finance Committee was to permit a certain amount of repair parts, up to 4 per cent of the amount of the completed parts, to be brought in subject to the low rate of duty.

Over that 4 per cent, it was the intention of the committee to provide that such parts as were really being brought in not for repairs but for the construction of complete movements, should pay the high rate. The wording of the paragraph is a little bit inaccurate, however. I therefore move that the word "rate," on page 94, line 8, shall be stricken out, and in place thereof the words, "clause of this subparagraph," shall be inserted. The proposed amendment does not change the sense, but if the language should stand as it now is in the amendment there might be some doubt as to what duty applied to the excess over the 4 per cent. It might even be thrown into the basket clause of the metal schedules, which, of course, nobody intends.

The amendment has been prepared by the legislative drafting counsel, who drew the original committee amendment, and I assure the Senate that, if agreed to, it will not change the intention of the committee.

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to.

Mr. REED. Senators will notice that the paragraph on the same page deals with the duty on bottom plates, which are the foundation of the watch movement. Some bottom plates might be useful for a 7-jeweled watch and they might be useful for a 21-jeweled watch, and probably the appraiser in the effort to get the utmost amount of revenue possible would always claim that a bottom plate was suitable for use in the more expensive type of watch. I do not think that the committee had its attention called to that possibility. It was not the intention of the committee to leave it to the discretion of the appraiser to select the highest possible tax to levy on these plates. In order to make that clear, the legislative drafting counsel have prepared an amendment, which is as follows:

On line 15, page 94, strike out the word "suitable" and the comma that follows it and insert the word "suitable" with a period after it, and then start a new sentence in this way:

"If such pillar or bottom plate is suitable for two or more movements, mechanisms, devices, or instruments dutiable at different rates, the duty on such plates shall be based on that one of the movements, mechanisms, devices, or instruments which is subject to the lowest rate of duty."

In case of a doubt the lower rate will apply. I take it that there will be no objection to that amendment. It merely serves to perfect the amendment as now written.

The VICE PRESIDENT. Is there objection to the amendment proposed by the Senator from Pennsylvania to the amendment reported by the committee? Without objection, the amendment to the amendment is agreed to.

Mr. REED. Again, Mr. President, in the next line a suggestion has been made that there is some difficulty in taxing a part at the same rate as the completed watch mechanism because one of the factors that goes to determine the tariff on the completed movement is the element of adjustment, and nobody can tell, of course, whether a bottom plate which is being brought in would be part of an adjusted watch or part of an unadjusted watch. So, for the sake of clarity, and to avoid the contention by the appraisers that the high duty on adjusted watches should be applied, we propose, in line 16, to strike out the word "a" which ends the line and insert the words "an unadjusted." In other words, the part bears the lower duty which would be appropriate to an unadjusted watch; and I offer that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. REED. Mr. President, perhaps the Senate will not object if I offer at this time a couple of amendments similarly perfecting section 368. We might as well get rid of them at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. REED. On page 98, line 12, the Senate will notice a comma after the word "water," which, of course, is grammatically incorrect. I move to strike it out.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. REED. Also, on page 98, line 9, the Senate will notice an amendment dealing with synchronous and subsynchronous motors and their accompanying clockwork. The idea of the committee was to tax those motors as parts of the clockwork if they were less than one-fortieth of a horsepower and were worth less than \$3. The expression in the committee amendment is not very clear, and it will be improved if, in line 9, we strike out the words "when without" and put in the words "not including the value of." It does not change the sense, but it is a much better expression.

I send that amendment to the desk.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator.

Mr. EDGE. As I understand, the amendment offered by the Senator from Kentucky [Mr. BARKLEY] is to reenact the existing law.

Mr. REED. Yes; the law of 1922.

Mr. EDGE. I trust the Senator from Pennsylvania, in speaking to the Finance Committee amendment, will point out—it is all so intricate that it can be done only by some one who has carefully studied it—the effect of the Senate committee amendment as compared with the paragraph passed by the House. In other words, as I recall, the result of the Senate committee amendment was to make a considerable reduction from the House amendment. I am not sufficiently familiar with the details to attempt to discuss them; but I suggest that the Senator from Pennsylvania point out those decreases where they occur.

Mr. BARKLEY. Mr. President, I will say that I do not care to get into the discussion of that matter now. That suggestion applies very largely to the more expensive watches, however, and not to the medium-priced or cheap watches.

Mr. EDGE. I assume that the Senator from Pennsylvania will go into detail in that regard.

Mr. REED. Mr. President, in the whole tariff bill I know of nothing more complicated than these two paragraphs. I doubt if there is anything quite as complicated; and I notice that the attendance in the Senate Chamber at the moment is very slender. I doubt if many of the few Senators who are here care to put on these paragraphs the study that is absolutely essential to a comprehension of the situation.

Mr. BARKLEY. Mr. President, if the Senator will yield to me, I will make the point of no quorum.

Mr. REED. I do not think that will do any good, Mr. President, because we had a quorum call and a roll-call vote just a few moments ago, and the quorum evaporated almost as soon as it was called.

Mr. BARKLEY. Many Senators are at lunch, of course, the Senator will understand. They will be in a little later.

Mr. REED. I should be glad to undertake to explain this matter.

Mr. EDGE. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. Does the Senator from Pennsylvania yield for that purpose?

Mr. REED. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Keyes	Sheppard
Barkley	Frazier	La Follette	Shortridge
Bingham	Gillett	McCulloch	Simmons
Black	Glass	McKellar	Smoot
Blaine	Glenn	McMaster	Steck
Blease	Goff	McNary	Stetwer
Borah	Goldsborough	Metcalf	Stephens
Bratton	Greene	Moses	Swanson
Brock	Hale	Norbeck	Thomas, Idaho
Brookhart	Harris	Norris	Thomas, Okla.
Broussard	Harrison	Nye	Townsend
Capper	Hatfield	Overman	Trammell
Connally	Hawes	Patterson	Tydings
Copeland	Hayden	Phipps	Vandenberg
Couzens	Hebert	Pine	Wagner
Cutting	Heflin	Pittman	Walcott
Dale	Howell	Ransdell	Walsh, Mass.
Deneen	Johnson	Reed	Walsh, Mont.
Dill	Jones	Robinson, Ind.	Waterman
Edge	Kean	Sackett	Wheeler
Fess	Kendrick	Schall	

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

Mr. REED. Mr. President, I think the RECORD ought to show what the situation is in the present law as to the duty on watches, why a change was needed, what the House did, and what the Senate Finance Committee did. I want to make my statement as brief as I can, considering the complicated nature of the subject.

Mr. NORRIS. So that we may all start together, I would suggest to the Senator that he first call our attention to the amendment that is pending, and the provision in the law it would affect.

Mr. REED. The amendment that is pending is the proposal by the Senator from Kentucky [Mr. BARKLEY] to substitute the language of the 1922 law for the Senate Finance Committee amendment.

Mr. NORRIS. On what page?

Mr. REED. The amendment begins on page 90. The Senator will understand that in the print he is using only the language of the bill as passed by the House is given, and the language of the Finance Committee of the Senate. The language of the present law is different from either of those, and for that reason, perhaps, the Senator would better look at the broad comparative print that shows the present law, too. The Senator will find that on page 110.

The present law puts a duty on watch movements, according to the number of jewels contained as friction bearings in the movement, and that duty is modified according to the number of adjustments that have been given to the watch movement.

The Senate will understand that a very large part of the importations of watches consists of imported watch movements that are placed in cases manufactured here. All of the mechanical part of the watch will be imported, while the gold or silver or other metallic case in which it is carried is often made here, to take the imported movement.

Under the law of 1922 the size of the watch is immaterial. The thing that determines the duty is, first, the number of jewels, and, next, the number of adjustments.

The importation of watch movements has increased very greatly. I will give the figures later. The domestic manufacture of watch movements has fallen off. When we look to see the reason for that, we find that the 1922 law has been evaded with success in two ways. First, after the enactment of the law, a new kind of watch was invented in order to escape the tax put on by that act. At the very beginning of paragraph 367 Senators will notice that a watch with less than seven jewels pays only 75 cents duty, and it does not matter whether it is adjusted or unadjusted.

If it has less than 7 jewels the duty is only 75 cents, whereas if it has 7 jewels and less than 11 the duty is \$1.25, and where it gets to have more than 15 jewels, then factors of adjustment come in.

As soon as the 1922 law was enacted, a watch appeared that had never before been seen in the world. That was a 6-jewel watch, invented with the intention of getting into the lowest bracket, and it was quite common for those watches to bear the stamp that they had been adjusted once or twice or three times or more. That was a false statement evidently, because the cost of adjustment in labor is such that adjusted watches could not be sold for the price at which those watches were being brought in. So that the law was beaten, and the public was

being deceived in two ways: A very cheap watch was brought in that was claimed to be adjusted when it was not; a 6-jewel watch had been invented to get by just underneath the limitation of that first bracket.

Those were the problems the House of Representatives faced when it tackled this matter. They got the advantage of a compromise arrangement which had been worked out between most of the American manufacturers and most of the importers. I understand that about 80 or 85 per cent of the importers had gotten together with representatives of manufacturers and had arrived at a compromise intended to check these frauds, and that the House adopted that compromise.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BARKLEY. The proportion of importers who agreed to this increase in rate, I think, will be found to be much less than 75 or 80 per cent.

Mr. REED. I am taking that from the statements of Mr. Gruen and as I remember them; I do not think it is decisive with us. But a very large proportion of the importers—much more than a majority—have agreed, first, to the House provisions, and then, when we in the Finance Committee pointed out the flaws in them, agreed to the Finance Committee's substitute, which we have reported.

Mr. BARKLEY. Those importers, however, it ought to be stated, constitute very largely importers of high-priced, expensive watches, and it would probably be just as much in their interest to prevent importation of the cheaper watches as it would be in the interest of the American manufacturer.

Mr. REED. Perhaps that is so; I do not know.

Mr. BARKLEY. To that extent they have a common interest.

Mr. REED. We have not regarded that as decisive. Nobody has agreed to it, and if we had thought it was fair we would have reported it.

Mr. NORRIS. Mr. President, I think it would be interesting and instructive, if the Senator can give the information, to state, first, about how many importers there are, and, secondly, whether they are also engaged in the importation of other articles or engaged in the manufacturing, for instance, of cases, and importing works to go inside the cases. In other words, do the importers of watches as a rule have any other business?

Mr. REED. Mr. President, I could only answer that by saying that I think every conceivable combination exists. Some of them import the parts and build them up into completed movements. Some of them import the completed movements and put them in American-made cases. Some of them import the completed article. There is every variety of combination. As to the number of them, I will try to answer that a little later.

One thing more. Parts of watches, under the 1922 law, were dutiable at 45 per cent, and no more. It has been found to be very profitable by some importers to bring in parts, some of them worth as little as a cent apiece, a tiny gear wheel or pinion, or something of that sort, and build them up in this country into completed movements. Brought in in that way, they pay only the 45 per cent tax.

A part of a watch may be the whole movement minus the balance wheel. A part may be anything from one cent's worth of a little pinion or gear wheel up to the completed watch minus any essential running part—a mainspring, a balance wheel, a hairspring; minus anything necessary to make the watch go. If it will not run when it is brought in, it is considered to be a part. That also has led to evasions, because, regardless of the specific duties imposed on these watches, it was possible to escape them entirely by bringing in the movement minus one part only.

That was one of the problems the House had, and they had in mind the increase in imports and the decrease in domestic production. What they did was to adopt a totally new method of taxation of these articles. They took three factors; First, the number of jewels as the old law had it; next, the number of adjustments, but they applied that differently from the way the 1922 law had applied it; next, the diameter of the watch movement at the point where its diameter was greatest. All three of those factors entered into the calculation of the tariff and resulted in a very complicated arrangement.

The tax increased as the size of the watch movement diminished, a larger watch paying a smaller tax than the little one. Then they introduced a new factor of difficulty by putting in a conclusive presumption that if a watch had 15 or more jewels and was 1 inch or more in diameter, it should be regarded as having had three adjustments, and each adjustment increased the tax by \$1. So that there was an arbitrary addition of \$1 to the tax on watches with a particular width or a particular number of jewels.

Then they changed the rate of duty on the parts; but I will explain that a moment later. If Senators will look at page 701

of the Senate committee hearings on this subject, they will notice the curve of duties calculated out on the basis of the House provision, and they will see a very high rate of duty on watches more than an inch in diameter and having more than 15 jewels, and then a very abrupt drop in the curve and relatively much lower duties on watches less than 1 inch in diameter.

The chart appearing on page 701 shows that in practical working out the House provision would have caused great injustices, and either the duty was much too high on some of the watches or it was much too low on the others.

Then they made things still more complicated by providing that any two or more parts assembled together should pay the same duty as the completed mechanism. A watch movement might be worth, say, \$25 in Switzerland. The duty on it, if it had a large number of jewels, would run up perhaps to \$20. Yet in that watch movement there might be a tiny wheel with a shaft in it whose value was not over 1 cent; but under the bill as it passed the House, that being an assembly of two or more parts, it had to pay the same duty as the completed mechanism, and we had the utter absurdity of a part worth 1 cent paying a duty of \$10 or \$20. Of course, when we on the Finance Committee pointed that out to the advocates of the House provision they had to admit its absurdity at the beginning. So that was something else we had to fix.

The curve of duties resulting from the Senate Finance Committee's action appears also on page 701, and it is quite obvious that we have at least straightened out the curve, have very much reduced the duty under the House bill, particularly on watches of more than 1 inch in diameter, and have only slightly increased the duty on the very small watches with a few jewels.

Mr. FLETCHER. Mr. President, may I ask the Senator about the present law? The Senator speaks about reducing the duty in the House bill.

Mr. REED. As against the present law the Finance Committee's recommendation makes a rather considerable increase on the small-sized watches of few jewels, the very tiny miniature watches which sometimes we see worn on peoples' wrists.

Mr. EDGE. Mr. President—

The PRESIDING OFFICER (Mr. GOLDSBOROUGH in the chair). Does the Senator from Pennsylvania yield to the Senator from New Jersey?

Mr. REED. I yield.

Mr. EDGE. That is for the very obvious reason that under the old law watches of seven jewels and under have been coming in at an ad valorem rate of duty which amounted to practically nothing?

Mr. REED. They have been coming in at a rate of duty which did not begin to protect the industry here and which practically was wiping out the industry of making watches of that type in this country. That was our problem. The first thing we did was to cut out the conclusive presumption about adjustments. We require the number of adjustments to be marked on the movement and in order to prevent fraud or a fraudulent claim that a watch is adjusted when it is not, we provide that the tax shall be slightly increased for each adjustment claimed to have been made by the manufacturer and stamped on the movement. But we do not have any presumption that is has been adjusted when, in fact, it has not.

Next, we tried to provide more sanely for a tax on parts. The proviso is long and rather complicated.

Mr. EDGE. Mr. President, will the Senator yield before he passes to the next feature?

Mr. REED. Certainly.

Mr. EDGE. If I am not mistaken I think this would be the place to point out that in the recommendation of the Finance Committee in adopting the new plan of levying a duty per adjustment, we cut in half the duty proposed by the House. Their proposal was \$1 and our proposal is 50 cents per adjustment. Is not that correct?

Mr. REED. That is correct.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. EDGE. I yield.

Mr. NORRIS. The Senator was just reaching an exceedingly interesting statement when he was interrupted by some other Senator. He was comparing the Senate Finance Committee amendment either with the present law or the House language.

Mr. REED. With the House language.

Mr. NORRIS. He said that it provided for an increase on the cheaper grades of watches and he was about to go on to other grades of watches when the interruption took place and the Senator never completed his statement. What is the effect of the amendment on other grades or higher grades of watches?

Mr. REED. I can best give typical cases. The Senator will find on pages 714 and 715 a table marked "Exhibit C," which

gives the rates on watches of various sizes, of various numbers of jewels, and gives the rates under the 1922 law, under the House bill, and under the amendment proposed by the Finance Committee. I will take extreme cases and then, the Senator will see what is done.

Taking a watch over an inch and a half in diameter—that is not diameter of the case, but the diameter of the movement in the case—with one jewel in it, the cheapest watch imaginable, I should suppose, we find that the base rate under the 1922 law is 75 cents. The rate under the House provision would be 90 cents. The rate proposed by the Senate Finance Committee would be \$1.25. That is an increase on the cheapest type of watch.

Referring now to the most expensive type, a 23-jewel watch less than 0.6 of an inch wide, we find that the rate under the 1922 law would be \$10.75, under the House provision would be \$5.85, and I think under the Finance Committee amendment it would be \$6.64. I think I am right in that latter figure.

Mr. NORRIS. That would be a little less than the House bill and a little more than the present law.

Mr. REED. Quite a little less than the present law.

Mr. NORRIS. Then I am mistaken or the Senator has not read the figures correctly.

Mr. REED. The present law would give a duty of \$10.75, the House provision would give a duty of \$5.85, a reduction of about 5; and if I correctly read the table, the duty under the proposed Finance Committee amendment would be \$6.64.

Mr. VANDENBERG. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. REED. I yield.

Mr. VANDENBERG. Are the quotations now made as relating to watches typical also of clocks or is that a separate subject for subsequent consideration?

Mr. REED. The problems are somewhat similar, but they have been treated a little bit differently.

Mr. VANDENBERG. Does the Senator propose to discuss the clock movements separately?

Mr. REED. I thought I would explain separately what we have done with reference to clocks.

As I said, the importers have all the advantage under the 1922 law in the importing of parts. They call those things "parts" which really were completed movements minus one little balance wheel. They got them all in under the 45 per cent rate, and in that way were enabled to escape all the specific duties. In an effort to correct that situation the House went too far the other way, we think. It provided that every assembly of two or more pieces should pay the same duty as the completed mechanism. That produced a result of a \$10 tax on a 1-cent part which was quite absurd and which nobody ever intended. We endeavored to cure the matter in this fashion: We provided first, as Senators will see on page 94, that 4 per cent of parts might be imported at the old 45 per cent rate. That was to take care of bona fide repair parts necessary to keeping in condition watches imported from abroad. If a person pays the full duty on an imported watch he ought to be able to get a reasonable amount of repair parts available to fix anything he breaks. It is important as to both watches and clocks, but I am talking now only of watches.

Then we provide that the 45 per cent privilege should not extend to more than 4 per cent of repair parts imported with the complete mechanism. If the important expensive parts of a watch mechanism are imported, that is taken care of by subparagraph 2 on page 94, where we say that "pillar or bottom plates, or their equivalent"—that is, the foundation of the movement—"shall be subject to one-half the amount of duty which would be borne by the complete movement" for which it was intended. Then we provide that each assembly or sub-assembly—and I have told what that means—consisting of two or more parts composed of metal or other material joined or fastened together shall be subject to a duty of 3 cents each except that in the case of jewels the duty should be 9 cents, and except in the case of pillar or bottom plates, the foundation plates, the duty should be as in subparagraph 2.

In the case of a balance assembly, which consists of perhaps 30 parts in the balance wheel, the success of the movement of a watch depends upon the careful adjustment of the balancing screws that are put in around the circumference of the little balance wheel. It is a matter of very delicate adjustment. When all those screws have been put in to weight the thing and balance it correctly, this tiny article, which is smaller than a dime, may consist of 30 or 40 pieces, because, of course, each little screw is a separate piece of mechanism. It would not be fair to charge each of those things 3 cents duty, so we provide that on a balance assembly the duty shall be 50 cents for the

assembly instead of 3 cents for each part of it. That means that the duty would be less than half what it would be if that provision were not incorporated. Then we define what a balance assembly is—a balance wheel, staff, and hair spring, with or without the other parts.

That is the difference between our treatment of the bill and the House treatment. I shall not try to go into all the details of the rates, but I think it would suffice to say that we were told by Mr. Gruen, who pretended to speak for the great mass of importers of watch movements and completed watches, that he had discussed this matter with the representatives of the American manufacturers and that they were all agreed that it was a reasonable compromise. One of the outstanding exceptions of importers who did not agree and who do not approve this is the Bulova Watch Co., of Rhode Island. They stood out and they have not agreed with the group that is represented by Mr. Gruen.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Massachusetts?

Mr. REED. I yield.

Mr. WALSH of Massachusetts. The Senator said that all of the domestic manufacturers agreed to this compromise. Does he not include all of the importers as well with the exception of one?

Mr. REED. No; not all with the exception of one, but about 75 per cent of the importers.

Mr. WALSH of Massachusetts. And of the manufacturers?

Mr. REED. I think all of the manufacturers, unless we call the Bulova Co. manufacturers. What they do, I understand, is merely to assemble parts into complete movements, importing the parts. The Bulova Co., I am told, claim to employ some 1,500 or 2,000 workmen, but I have found, upon making inquiry, that about nine-tenths of them are employed in Switzerland and only one-tenth are employed in the United States.

Mr. EDGE and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED. I yield first to the Senator from New Jersey.

Mr. EDGE. Are we to understand that the Bulova Watch Co. manufacture their own cases in this country?

Mr. REED. I do not know. Doubtless the Senator from Rhode Island [Mr. METCALF] can tell us.

Mr. METCALF. They do make their own cases.

Mr. EDGE. Then, their business is primarily that of importing movements and assembling them in the United States, and not importing the finished article, as the Senator understands it.

Mr. REED. Yes; that is true.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Kentucky?

Mr. REED. I yield.

Mr. BARKLEY. I want to reiterate what I said a while ago. We do not agree to the accuracy of the statement that 80 per cent of the importers joined with the manufacturers of domestic watches to recommend this rate. I have in my hand a list of importers who have not agreed to it, which list I will at a later time place in the RECORD. The Bulova Watch Co. is only one of the importers of watches.

Mr. WALSH of Massachusetts. But it is a fact that an effort was made to bring the domestic manufacturers and importers together to agree upon some rate and method of levying a tariff duty upon parts of watches and watches and that a substantial number of them did agree.

Mr. BARKLEY. I think it is true that quite a number of them did. I do not know just what percentage, but it was claimed that only about 25 per cent agreed to the rates.

Mr. REED. I was talking about the importers of watches and makers of watches. I am not talking about clocks. I hope the Senator will understand that.

Mr. BARKLEY. Yes; I understand it.

Mr. REED. I can not put my hand on Mr. Gruen's statement at the moment, but I think it is in the record and I shall look for it and call it to the attention of the Senate later. Unless some Senator has some question, that is all the explanation I desire to make.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. REED. I yield.

Mr. VANDENBERG. In the matter of the prices of clock movements, is it not exceedingly difficult to find out what the actual effect of the bill is? In other words, is it possible for the Senator to say with precision what the effect of these rates will be upon clock movements?

Mr. REED. If the clock movement be described, we can calculate the rate quickly enough.

Mr. VANDENBERG. The Senator will remember that I submitted a memorandum to him from the Herman Miller Co., of Zeeland, Mich.

Mr. REED. Yes, Mr. President.

Mr. VANDENBERG. On that memorandum the clock manufacturer estimated that the tax on a movement costing \$8.61 would be \$19.18 under the Senate committee's proposal.

Mr. REED. Yes; but he put the same tax in twice. That is the reason he obtained that result.

Mr. VANDENBERG. The Senator, in turn, was good enough to submit that memorandum to one of his experts, with the result that the expert's figure was a tax of \$12.31 upon that item. The manufacturer, in turn, refigures the tax, and insists that the expert is out of court and without basis for his arithmetic; and so we find ourselves in the midst of this complex, dangling between a tax of \$19 and a tax of \$12. In either event, it is a tax on a movement which costs only \$8.61. Is that typical, in the Senator's judgment, of the elevation that has occurred in the watch and clock schedule?

Mr. REED. No, Mr. President; it most certainly is not.

Mr. LA FOLLETTE. Mr. President, will the Senator from Pennsylvania yield for a question?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Wisconsin?

Mr. REED. I very gladly yield.

Mr. LA FOLLETTE. I could not be here during all of the Senator's discussion of these two paragraphs, and I therefore wish to ask a question. Did the Senator touch upon the repair parts for watches which are already in use?

Mr. REED. Yes.

Mr. LA FOLLETTE. I have heard some complaint from jewelers, I will say frankly, who have stated that they are under the impression that if the provision recommended by the committee should be enacted into law it would increase the cost of repair parts for foreign watches which are already in use and which came in under the 1922 law. They make a rather plausible argument that, the law having permitted those watches to come in, it is rather unfair to the owner of such a watch suddenly to increase the cost of keeping his watch in repair.

Mr. REED. I think that their complaint was fully justified against the House bill in that regard, because insignificant parts, such as a wheel in its shaft or an assembly of two little pieces pinned in a plate and pressed in by a stamping process, a product, perhaps, worth 1 cent, would be subjected to the same duty as a completed watch. Obviously that was not fair, and so we changed and provided that the duty should be 3 cents per piece, with the exception of the balance mechanism, where there are so many pieces that if they were multiplied by 3 cents the duty would be extremely high. So we fixed 50 cents as the proper duty for the balance mechanism. We tried to strike a medium between the excessively high rate of the House bill and the flat 45 per cent of the 1922 law, which has been evaded with such success.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in paragraph 367.

Mr. REED. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. REED. Is not the pending amendment the substitute offered by the Senator from Kentucky?

The PRESIDING OFFICER. Under the rule under which the Senate is proceeding the committee amendments take precedence.

Mr. REED. If the Chair will pardon me, the Senator from Kentucky has offered a substitute for the committee amendment that is in the nature of a motion to strike out and substitute. That must be disposed of before the committee amendment can be acted upon.

Mr. SMOOT. The rule has always been that committee amendments have to be perfected first, and then any substitute offered can be voted on.

Mr. REED. Exactly. This is a part of the process of perfecting the committee amendment.

Mr. NORRIS. Mr. President, if there was a motion here to change the committee amendment, then the Senator from Utah would be correct; we would vote on that first; but there is no such motion. It seems to me perfectly plain that the question now is on substituting the language offered by the Senator from Kentucky for the committee amendment, and if that language is substituted it becomes the committee amendment and we then will vote on that.

Mr. SMOOT. The committee amendments have not been agreed to.

Mr. NORRIS. Exactly; but when they are agreed to it is too late to strike them out and insert.

Mr. SMOOT. Not at all.

Mr. NORRIS. It is too late to substitute after we have agreed to the committee amendment.

Mr. REED. The pending question was the committee amendment. The Senator from Kentucky moved to change it by substituting something else. Obviously, we have got to go on with the process of effecting it before we act finally upon it.

Mr. SMOOT. I am only stating what the general practice of the Senate has been; I do not care as to the manner in which we shall proceed in this instance.

The PRESIDING OFFICER. May the Chair suggest to the Senator from Nebraska that the amendment of the Senator from Kentucky affects the entire paragraph, including the House text?

Mr. NORRIS. As I understand, the substitute does likewise. The substitute puts something in the place of the committee amendment.

Mr. REED. Mr. President, in the absence of the present occupant of the chair, and I think of the Senator from Nebraska also, it was agreed by unanimous consent that the amendment offered by the Senator from Kentucky should now be considered.

Mr. SMOOT. No; the unanimous-consent agreement, as I understood it, was that the Senator from Kentucky might offer the amendment in lieu of the committee amendment when perfected. That has been the usual procedure.

Mr. NORRIS. Mr. President, I should like to correct the statement I made. I was misinformed as to what the substitute really was. As I understand now the substitute strikes out not only the committee amendment but other language as well.

The PRESIDING OFFICER. It also strikes out the House text.

Mr. NORRIS. I did not know that, and what I said therefore does not apply.

Mr. BARKLEY. Mr. President, the amendment which I have offered is a substitute for both the House and Senate language.

Mr. SMOOT. Certainly. I am perfectly willing to have the Chair decide the parliamentary situation. In the past under the procedure we have followed committee amendments have been perfected before substitutes have been offered for them. I do not care whether we act in that way or in the other way; I am merely speaking of the rule which has prevailed in the Senate.

The PRESIDING OFFICER. As the Chair understands under the rule, the question is on the committee amendment to paragraph 367. [Putting the question.] The yeas seem to have it.

Mr. REED. I ask for a division.

Mr. BARKLEY. A parliamentary inquiry.

Mr. LA FOLLETTE. Mr. President, may I suggest to Senators who are present that we would waste a great deal of time by going through and perfecting the committee amendment if a substitute for the entire paragraph is to be adopted. Despite the rule, could we not secure unanimous consent to have a vote on the amendment of the Senator from Kentucky, and then if that shall be rejected proceed with the perfection of the committee amendment. If the amendment of the Senator from Kentucky shall be adopted, that will settle the question; and further, to consider the committee amendment now would be a waste of the Senate's time.

Mr. REED. The Senator from Wisconsin is exactly right, and that is what I thought had been agreed to by unanimous consent a while ago.

Mr. BARKLEY. If that has not been agreed to, according to the RECORD, I ask unanimous consent now that that be the procedure.

Mr. REED. Of course, that is the common-sense way to go about it.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The question now is on the amendment in the nature of a substitute for paragraph 367 offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. REED. Mr. President, it has been suggested that I ought to put in the RECORD at this point some notation about the imports and domestic production. The figures are all given on pages 784 and 785 of the Summary of Tariff Information. Senators will there see that the production in the United States in the odd-numbered years, when the census of manufactures is taken, has diminished from \$52,000,000 worth of movements, watchcases, and watch materials in 1919 to \$46,000,000 worth in 1927. The production has fluctuated. It was \$52,000,000 in 1919; it fell to \$39,000,000 in the year of the depression, in 1921; it was \$49,000,000 in 1923; \$52,000,000 in 1925; and

\$46,000,000 in 1927. The tendency during the last four or five years has been the exact opposite of that of most prosperous American industries.

Meanwhile importations have fluctuated in the same way. The importations of completed watch movements, either in or out of cases, in 1919 were \$6,000,000 worth; in 1921—and I am using the same years as I have given for domestic production—the imports fell, as the domestic production fell, to \$4,000,000; in 1923 the imports were \$6,000,000; in 1925 they were \$7,000,000; in 1927 the imports were nearly \$11,000,000, showing a very marked increase during that period as a whole.

Importations of watchcases, on the other hand, have dropped off. The duty on watchcases, I may say, has not, as I recall, been affected by the committee's amendment. The importations of watchcases have fallen from \$3,000,000 in value in 1923 to \$1,600,000 in 1928.

The production of watchcases in the United States has also diminished somewhat. The production in 1919 was \$19,000,000; the production last year was \$14,000,000. However, the domestic production has not fallen off as much as the imports have fallen off. There does not seem to be any occasion for an increase in the duty there.

The other figures about the imports relate to ships' chronometers and odds and ends of that sort, which I do not need to give.

Our exports of watch movements in the meantime have fallen off at about the same rate as has the American production. The value of the exports of completed watches and watch movements and materials and parts and cases, all together, amounted to \$2,000,000 in 1919; the exports went down to \$800,000 in 1921; they amounted to about \$1,000,000 in 1923; nearly \$2,000,000 in 1925, and \$1,600,000 in 1927. They fluctuated in about the same way as American production.

Mr. BARKLEY. Does the Senator have the figures for 1928?

Mr. REED. For 1928 our exports were \$1,738,000. I have been giving only the figures for the odd-numbered years because those were the only years in which we could compare the exports with production.

The PRESIDING OFFICER. The question is on agreeing to the substitute offered by the Senator from Kentucky.

Mr. WAGNER. Mr. President, may I ask the Senator from Pennsylvania a question?

Mr. REED. I yield.

Mr. WAGNER. I wonder if the Senator has any statistics as to whether there has been an actual depression in the business of the manufacturer? Some evidence has been presented to me which leads to the conclusion that their profits have increased year by year.

Mr. REED. The figures are in the record here, but I can not put my finger on them at the moment. I do not recall them and would have to give them from memory.

Mr. BARKLEY. If the Senator will yield, I have the figures as to the profits of the large watch manufacturers.

Mr. WAGNER. Then, I should like to ask the Senator from Kentucky whether the manufacturers have suffered financially or whether they have enjoyed an increase in profits?

Mr. REED. Some of them have been pretty prosperous. Others have been quite the contrary. I understand that one of the big concerns up in New England, the Waltham Watch Co.—

Mr. WALSH of Massachusetts. The Waltham Co. has passed dividends for seven or eight years.

Mr. REED. I understand that they have been anything but prosperous. They have had to give up the payment of dividends, and the number of men they have employed has diminished; but, as I say, I do not recall the details well enough to give it from memory.

Mr. NORBECK. Mr. President, it is a hard thing when dividends fail, and some unemployment takes place; but we have a member of the Farm Board actually suggesting that the farmers can remedy their condition by going into idleness and unemployment. We are told that there are too many people raising wheat.

I should like to do something for this industry in Pennsylvania and elsewhere. Could we not get the Farm Board to help them with cooperative marketing, or some intangible thing like that, and put them on the same basis as the farmers?

Mr. DENEEN. Mr. President, this paragraph and the other watch paragraphs should receive very careful attention. They are unique in that 90 per cent of the cost of a watch consists of labor. I do not recall any other article in such a high proportion of labor in its manufacture.

First, I may say that 62 per cent of the watches manufactured in the United States are manufactured in Illinois.

Second, the tariff act of 1922 has been referred to and explained. I wish to state in reference to that act, as it relates to the price of the watch, that the prices of watches have not been increased during the past 10 years. When the act of 1922 was passed it related principally to pocket watches. After the enactment of that law the kind of watches was largely changed, and now the debate turns on the small, or wrist watch. There is not any company in the country, so far as I am informed, that could operate its factory on a basis of manufacturing pocket watches. It will not be disputed that the debate now relates to the watch that was not manufactured when the tariff act of 1922 was passed. That is one reason why the Finance Committee had to go into these schedules in such detail. The present discussion does not relate to the nonjeweled watch.

In our country there are produced about 9,000,000 of such watches each year. The tariff law does not affect the rates on them. The tariff paragraphs change the rates on the jeweled watches. On that matter I have had prepared a statement of how these complicated paragraphs would affect the price of such watches if the report of the Senate committee is approved.

First, on the nonjeweled watch, of which we produce 9,000,000, the tariff is the same as in the law of 1922—75 cents. It is 75 cents in the provision of the House bill and 75 cents in the provision of the pending Senate bill.

Second, on the 7-jewel watch, 1½ inches wide, which was the standard watch that prevailed before the act of 1922 was enacted into law, the tariff was \$1.25. In the House bill it is \$1.40 on the pocket sizes, a slight increase. In the Senate bill it is \$1.60.

On the 15-jewel watch, of the same width, the tariff under the act of 1922 was \$2. The House bill raised it to \$6. The Senate committee made it \$2.60.

On the 17-jewel watch the tariff in the law of 1922 was \$6.50. In the House bill it was reduced to \$6.40 and in the Senate bill it was reduced to \$4.31.

On the 19-jewel watch the tariff in the act of 1922 was \$10.75. In the House bill it is \$6.80 and in the Senate bill \$4.67.

On the 21-jewel watch the tariff in the act of 1922 was \$10.75. In the House bill it is \$7.20 and in the Senate bill it is \$5.03.

Last, on the watches of 23 jewels the tariff provided in the act of 1922 was \$10.75, in the House bill \$7.60, and in the Senate bill \$5.39.

These rates are not very high, but they are provided to protect a great industry.

The Elgin Watch Co., which operates at Elgin, Ill., is one of the largest, if not the largest, watch factory in the United States. The question was asked about employment, whether or not the company is operating at full capacity. I have to state that it is operating at about 50 per cent of its capacity. Heretofore it has had, as I recall, about 4,300 or 4,500 operatives. It has been compelled to reduce the number of employees to 3,600 or thereabouts and to reduce the pay roll about \$600,000 per annum. A like statement may be made, I think, with regard to the other large watch factory in our State at Springfield, Ill.—the Illinois Watch Co.'s factory.

Mr. COPELAND. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New York?

Mr. DENEEN. I yield.  
Mr. COPELAND. I observe that the earnings of the Elgin Watch Co. have not seriously declined. What is the testimony of the Senator regarding that?

Mr. DENEEN. They have seriously declined. I have here a statement of the earnings. I shall be very glad to give the information to the Senator from New York.

The earnings of the Elgin Watch Co. for the year 1928 were 8.52 per cent, and the earnings for the present year will be 5.31 per cent, on the capital, surplus, and invested capital.

Mr. COPELAND. If the Senator will bear with me, what were the earnings per share in 1928?

Mr. DENEEN. In 1928 the earnings were 8.52 per cent on the invested capital of the Elgin Watch Co.

Mr. COPELAND. The advice I have is that on the par value of the stock, \$25, the earnings in 1928 amounted to \$4.62 a share, or 18½ per cent.

Mr. DENEEN. I have the information which I have related from the vice president of the corporation.

Mr. COPELAND. What I have stated is from Moody's Manual.

Mr. DENEEN. I have this information from the vice president.

That matter having been called to the attention of the Senate, may I answer by giving the information which I acquired about

the chief importer who objects to the arrangement made between the manufacturers and the importers? I should like to call the attention of the Senator from New York to these figures so that he may compare them with the statement he has about the Elgin Watch Co.

First, the value of the real estate, plants, and equipment of the Bulova Watch Co. is \$200,000.

Capital from the sale of stock to American people, \$3,000,000. Net profits in 1928, \$1,200,000.

Estimated profits in 1929, \$1,600,000. Net earnings, 50 per cent on its capital.

Employs in the United States 250 people.

In addition to that, and while attention is upon the matter, may I make a statement about the profits that these gentlemen make on their watches? I call attention to the memorandum given to us some time ago, the list of articles exhibited on the floor of the Senate, and I direct attention to the Swiss watch.

The cost of this self-winding watch in Switzerland is \$6. Its landed cost in the United States is \$8.75. Its retail price is \$55. The profit is 529 per cent. That would be considered a fair profit, even in New York. The other profits of the importers I am not able to state; but I have been informed that they range about along the line of percentage indicated here. I think that is not questioned.

Mr. MCKELLAR. Mr. President, will the Senator yield?  
The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. DENEEN. I yield.  
Mr. MCKELLAR. The Senator said that the Elgin Watch Co. made 8 per cent plus on its capital, undivided profits, and money invested.

Mr. DENEEN. Invested capital.  
Mr. MCKELLAR. As a matter of fact, however, it declared very much larger dividends than that on the capital stock of the company, did it not?

Mr. DENEEN. Likely so. The capital stock does not tell the true story of the invested capital.

Mr. MCKELLAR. Did they not declare a stock dividend of 50 per cent since the tariff act of 1922 was passed?

Mr. DENEEN. I am not informed as to that; but that would not increase their assets, or relate to them.

Mr. MCKELLAR. No; but their capital in 1922 was \$6,000,000, and that was increased to \$10,000,000; and since then they have put in a reserve of \$1,514,577 for depreciation of land and buildings, and in addition the depreciation account, according to the figures I have taken from Moody's Industrials, seems to have been, for 1927, \$2,650,994, and for 1928, \$2,889,947. The total of land and buildings carried in the statement for 1927 was \$4,324,827, and for 1928, \$4,563,797.

According to these figures, it seems that this company has been enormously successful, paying out large profits, setting aside large amounts for depreciation and large amounts for its lands and other physical property; and after reading this statement I am in doubt whether or not it is one of the industrials that President Hoover referred to as needing assistance at this time by tariff adjustments.

Mr. MCKELLAR subsequently said: Mr. President, this afternoon in discussing the paragraph affecting watches, I referred to a table from Moody's Industrials for 1929. I ask unanimous consent to have the table printed in the proper place in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

FINANCIAL HISTORY OF ELGIN NATIONAL WATCH CO.  
[Reported by Moody's Industrials 1929, Standard Corporate Statistics 1929]

Earnings	
Yearly earnings:	
1923.....	\$2,177,128
1924.....	2,679,525
1925.....	3,083,485
1926.....	2,314,746
1927.....	1,821,851
1928.....	1,846,067

Year	Par value of stock	Earned per share	Per cent
Earnings per share:			
1924.....	\$25.00	\$8.38	53
1925.....	25.00	7.70	31
1926.....	25.00	5.79	23
1927.....	25.00	4.55	18½
1928.....	25.00	4.62	18½

## Dividends paid

Year	Cash	Stock
	Per cent	Per cent
Elgin dividends:		
1919	11	
1922	12	
1923	13	25
1924	18	
1925	20	25 1/4
1926	35	
1927	16	
1928	14	
1929 (to date)	14	

## CAPITAL INCREASES

Since the enactment of the 1922 tariff, stock dividends of 50 per cent have been declared, making present dividend rates equivalent to 21 per cent on capital at the time of the enactment of the 1922 tariff.

Their capital in 1923 was \$6,000,000. It was increased through stock dividends to \$10,000,000 by 1928.

A reserve of \$1,514,577 for depreciation of land and buildings is set up in their statement.

In addition the depreciation account for 1927 was \$2,650,994; for 1928, \$2,881,947.

Total of land and buildings carried in statement was \$4,324,827 in 1927; \$4,563,797 in 1928.

## DEPRECIATION

After setting up a reserve of over \$1,500,000 and writing off 50 per cent of the present value of plant and land, this company still earned over 18 1/2 per cent on the par value of its present outstanding stock, which is equivalent to about 60 per cent of its outstanding stock in 1923, when the 1922 tariff rates went into effect.

The improvement in financial condition since 1923 of the companies making jeweled watches may be tabulated by assuming a stock ownership at that date of \$1,000 par value, or (in the case of the Waltham Co., whose stock has no par) the ownership of 10 shares of class B stock, as follows:

## Increased value of stock holdings

Company	Holdings in 1923 at par	Present holdings at par	Market value 1923	Present market value	Present equity in earnings
Elgin	\$1,000	\$1,565	\$1,760	\$4,509	\$309
Waltham	( <sup>1</sup> )	( <sup>1</sup> )	50	910	105
Hamilton	1,000	1,666			385

<sup>1</sup> 10 shares.

## RATE CHANGES

The following table of rates show carried comparisons with present rates under the Fordney-McCumber tariff and show percentage of increase carried under the present Senate schedule:

## Rates in Senate bill

Size	Jewel	Present rates, Fordney-McCumber tariff	Senate Finance Committee rates	Percentage of increase
1.5 inch unadjusted	6	\$0.75	\$1.60	113
	7	1.25	1.60	29
	15	2.00	2.60	30
1.5 inch adjusted	17	2.75	4.31	60
	6	.75	2.60	247
	7	1.25	2.60	109
	15	2.00	3.60	80
	17	3.50	5.81	68

The base rate on this size is \$1.25. There is an addition of 35 cents if movement contains from 2 to 7 jewels.

Mr. DENEEN. Mr. President, this company is 65 years old. It has enjoyed a profitable business. It was making from 12 to 15 per cent on its investment up to and shortly after the law of 1922 was enacted; but its profit has been steadily reduced year by year since that time, and now is less than 6 per cent—about 5 and a fraction per cent. That is the story.

Mr. McKELLAR. Mr. President, if the Senator will yield again, was not that because they increased their capital stock from \$6,000,000 to \$10,000,000? Did not that have a tendency to reduce the dividend?

Mr. DENEEN. No.

Mr. BARKLEY. What company is that?

Mr. McKELLAR. That is the Elgin Co.

Mr. DENEEN. As my attention is called to alleged profits may I state the situation regarding the other watch companies? Since the passage of the tariff act of 1922 the business of the South Bend Watch Co. has decreased to such an extent that it is practically out of business, not considered as a successful concern, so I am informed.

Second, the Howard Watch Co. has also decreased its business, so that its future is problematical.

Third, the Deuber Hampden Watch Co. has gone into the hands of receivers and has been sold by the receivers to the Soviet Government, to be shipped abroad and manufactured there. This was about two months ago.

Fourth, the New York Standard Watch Co., Jersey City, N. J., has liquidated or gone out of existence.

The few remaining survivors in the industry have shown a decrease in net earnings of 46 per cent. The Waltham Co. figures are not included in this last remark, as they are not available, but everyone knows the unfortunate history of the Waltham Watch Co. It was taken over and financed by the banking house of Kidder-Peabody, of New York City and Boston, since the passage of the 1922 tariff act.

Mr. BARKLEY. Mr. President, the Senator realizes that in the case of the Waltham Watch Co. they found themselves in difficulty because of too great invoices, and since the reorganization their operations have been very profitable, so that they have been able to pay off almost entirely their bonded and funded debt and have paid dividends on the preferred stock and on the class A stock.

Mr. DENEEN. I have no information about it other than what I have stated. The information as furnished to me was that the company was practically in the hands of its creditors for a number of months, and it is not considered in the trade as a prosperous company.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. DENEEN. I yield.

Mr. COPELAND. The Senator spoke about the Elgin Co., which is in his State. I have in my hand the figures of the Elgin Co., which show that for the 10 years from 1889 to 1898 they produced, in round figures, 4,000,000 movements; in the next 10 years they produced 6,000,000; from 1909 to 1918 they produced 7,000,000; in the 10 years from 1919 to 1928 they produced 10,652,918 movements. Of course, that is 47 per cent.

Mr. DENEEN. That is one of their troubles, that while they are producing more and selling more their profits are less. They have been required to reduce the number of their operatives, as I said, about 700 and to go on 5-day week employment.

Mr. COPELAND. If the Senator will bear with me further, it is very interesting, then, that the exports of watches have steadily increased. Last year this company exported 1,738,600 watches.

Mr. DENEEN. Cheap watches.

Mr. COPELAND. They are jeweled watches.

Mr. DENEEN. Of the cheaper class.

Mr. COPELAND. I am in great sympathy with the Senator in making his appeal, but it seems to me we have not yet seen abundant reason for increase of the tariff.

Mr. DENEEN. I hope that the Senator from New York will see the reason as the debate proceeds.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. DENEEN. I yield.

Mr. BARKLEY. While we are talking about the Elgin Watch Co., of course, the Senator is aware of the fact that last year they paid 14 per cent in cash dividends on a \$10,000,000 capitalization, which represented a 250 per cent stock increase from \$4,000,000, which was the original amount of money put in. The 14 per cent was less than they had declared the year before, but I think the Senator from Illinois will agree that a 14 per cent cash dividend on \$10,000,000 stock, which was increased from \$4,000,000 without any additional money being put in, is a pretty fair return on the investment.

Mr. DENEEN. The memorandum handed to me by the vice president of the Elgin Watch Co., a man of high standing, states that the company earned on its invested capital 8.52 per cent for the year 1928, and if the Senator wishes to have me repeat it, has earned for the first six months of 1929 2.08 per cent, an average of 4.16 per cent for the year.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. DENEEN. I yield.

Mr. McKELLAR. I find from Moody's Manual that for the year 1919 it paid a cash dividend of 11 per cent on its stock;

in 1922 it paid 12 per cent; in 1923 it paid 13 per cent; in 1924 it paid 18 per cent; in 1925 it paid 20 per cent; in 1926 it paid 35 per cent; in 1927 it paid 16 per cent; in 1928 it paid 14 per cent; and in 1929, up to date, it paid 14 per cent. In the year 1923 it is shown that it paid a stock dividend, in addition, of 25 per cent, and in 1925 a stock dividend of 25¼ per cent.

Besides that, it set aside, as I have heretofore stated, these large amounts for depreciation and a reserve of a million and a half dollars. It does seem to me, under these circumstances, that this company is in very excellent condition, and I do not see how any company could be in a much better financial condition.

Mr. GLENN. Mr. President, will my colleague yield?

Mr. DENEEN. I yield.

Mr. GLENN. Does the Senator from Tennessee figure that because one company is in a prosperous condition, the fate of the whole industry should be determined on the condition of that one company?

Mr. McKELLAR. No; we were just talking about the Elgin Co.

Mr. GLENN. I think the facts stated so far are to the effect that this is the only watch company in the country that is in a prosperous condition.

Mr. BARKLEY. Mr. President, I think we will be able to show that this profitable condition is not limited to the Elgin Co. I shall attempt to show that a little later.

Mr. DENEEN. Mr. President, I have not the figures at hand to answer that. In 1926 the Elgin Co. earned on its invested capital 16 per cent, plus; in 1927, it earned 11 per cent plus; in 1928 it earned 8½ per cent; this year it is earning about 4½ per cent, the first six months having earned 2.08 per cent.

Mr. BARKLEY. Will the Senator explain how they paid a 14 per cent cash dividend?

Mr. DENEEN. I am not familiar with that. I will have that looked up in the course of the debate.

Mr. BARKLEY. I talked yesterday with the vice president of the Elgin Co., and he agreed that these figures were correct.

Mr. DENEEN. We have sent for the certified statement, and I will have it here in a moment. In fact, I have it in my grip, but it will take some time to get it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DENEEN. I yield.

Mr. McKELLAR. I find that the holdings of the Elgin Co. in 1923 were valued, at par, at \$1,000; the present holdings at par are \$1,565. The market value in 1923 was \$1,760. The present market value is \$4,509, nearly four times as much, with the present equity in earnings of \$309. That shows, to my mind, that this particular company is certainly in a very excellent financial condition and is not in dire need of an increase in the tariff in order to get it out of distress.

Mr. DENEEN. The company has not lost any money. Its earnings have steadily been declining, however. They have been reduced now—at the rate they are being reduced—to about 4½ per cent.

Mr. SMOOT. Mr. President, does the Senator know what the capital stock of the Elgin Co. is?

Mr. DENEEN. I have the figures in my office. I do not wish to state it from recollection. I think it is upwards of \$20,000,000. It is a company that is about 65 years of age, one of the great watch companies in the country.

While we are talking about profits, may I end up the matter relating to our State by referring to the other large company in Illinois, the Illinois Watch Co.? I would like to have the attention of the Senator from Tennessee to this, to show how these earnings vary.

Mr. McKELLAR. I will be glad to listen to the Senator.

Mr. DENEEN. According to the memorandum from which I have been reading, in 1923 the profits of the Illinois Watch Co. were 17 per cent plus. In 1924 they were 10 per cent plus. In 1925 they were 5 per cent plus. In 1926 they were 6¼ per cent. In 1927 they were 5½ per cent. Then, because of the reduction of its earnings and the obvious direction in which this company was going, it joined with the Hamilton Watch Co. and is now a part of that company. That is the financial situation of the Illinois Watch Co.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DENEEN. I yield.

Mr. McKELLAR. I was wondering what dividends they paid during that time.

Mr. DENEEN. I have just recited them.

Mr. McKELLAR. Were they the dividends?

Mr. DENEEN. I should have said the earnings. I misstated the matter. It was earnings on invested capital.

Mr. McKELLAR. I can understand how that might be less based on that kind of calculation, but I am wondering what dividends they actually paid.

Mr. DENEEN. I have no information as to that.

Mr. BARKLEY. Mr. President, if the Senator will yield to me—

Mr. DENEEN. I yield.

Mr. BARKLEY. It might be interesting in that connection to state that the Hamilton Watch Co., which took over the Illinois Watch Co., now has outstanding \$5,000,000 in capital stock on which not more than \$500,000 was paid in cash, and that \$2,000,000 of this stock dividend was granted since 1922, since the present law was passed, and based on their present capitalization, they have paid dividends at the rate of 15.6 per cent since 1926, which amounts to 156 per cent on the original capitalization.

Mr. DENEEN. That might be on the original capitalization, but will the Senator from Kentucky state that that is a proper way of ascertaining the earnings of a company when the corporation has failed to expand its stock to show some relation to the invested capital?

Mr. BARKLEY. When they are able since 1926 to pay more than 15 per cent cash dividends on the increased stock—

Mr. DENEEN. On the stock.

Mr. BARKLEY. Yes; on the outstanding stock, which represents a multiplication of the \$500,000 to \$5,000,000, without putting any additional money into the business.

Mr. DENEEN. May I ask, then, whether or not the same reasoning would apply to the Ford Automobile Co., which started with \$5,000 about 20 or more years ago? Would the Senator use the same argument regarding that company?

Mr. BARKLEY. If the Ford Automobile Co. were here asking for a tariff on automobiles, the same argument would apply—

Mr. DENEEN. Regardless of competition, and regardless of the foreign cost?

Mr. BARKLEY. But they are not here asking for a tariff.

Mr. DENEEN. Would the Senator apply that to a bank in ascertaining the rates of interest? Some banks, by industry and skill and good judgment, make more than 10 or 15 per cent.

Mr. BARKLEY. It might be evidence of exceedingly good judgment in the multiplication of its stock according to the earnings of the company and the sales, but we are dealing now with the merits of an industry demanding a higher rate of tariff on the American people.

Mr. DENEEN. I take for granted that by a very brief investigation we could show that many farmers are earning quite a large percentage on their investment while a great many others fail to do so. Would the same reasoning apply to the farmer and farm legislation?

Mr. BARKLEY. I should be very happy if the Senator could satisfy me that any farmer in the United States is now able to declare a 15 per cent dividend on the capitalization of his farm and farm implements.

Mr. DENEEN. I think the Senator could find many in Kentucky and I am sure he could in Illinois.

Mr. BARKLEY. The farmers of Illinois are more prosperous than they are elsewhere if that is the fact.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. DENEEN. I yield.

Mr. McKELLAR. When the Illinois Watch Co. was taken over by the Hamilton Watch Co. was money paid or was there merely an issue of stock?

Mr. DENEEN. I do not know. That has nothing to do with the matter as I conceive it. The discussion relates to whether or not competition can be sustained with the Swiss chiefly. There the wage is about one-third of the wage in our country. The material that is used in making the watch is inconsiderable in cost. Ninety per cent of the cost is labor. The transportation charge is very small. The matter that we should consider here is equalizing the difference in the cost of production. I think there is no question in the world about the facts regarding that difference. The facts are not disputed.

Furthermore, while a good deal of emphasis is laid on the fact that some companies have prospered and complaints have been made that they have not failed and gone into bankruptcy, I think as against that suggestion that the enormous profits made by the importers ought to be considered somewhat in determining whether we shall favor our own people rather than people across the sea.

Mr. McKELLAR. Mr. President, will the Senator yield further?

Mr. DENEEN. I yield.

Mr. MCKELLAR. I will say that I think the Hamilton Watch Co. make a good watch. I have one of their watches and have worn it for a number of years. It is a very splendid watch. I will say that much for their watch anyway.

Mr. DENEEN. I am not speaking for the Hamilton Co., but I hope the Senator, in whose State its factory is located, will show his appreciation by standing by them in this matter.

The chief difficulty regarding the matter is the evasions which have occurred under the 1922 law. I may say that when we strike an average the increase asked for is very small. I think I can show just what it is. Some Senators are laboring under a misapprehension as to the amount of increase asked. The increase really is to take care of evasions and to assist in the administration of the law by the customhouse officials so that they may more readily administer the law.

If I remember correctly, the old law carried a rate of about 61 per cent on the average in 1928. The average rate proposed by the House can not be computed accurately. The Senate committee proposes to reduce the average rate in the House bill.

The reason for the increase consists in the matters that were explained clearly and in logical sequence by the distinguished Senator from Pennsylvania [Mr. REED]. It was necessary to impose these duties in order to prevent certain companies and importers from bringing in watches practically completed, leaving out one element only in the construction of each, and then putting the parts together here in the United States. That is the reason why the law of 1922 has been amended. That is the reason why the American companies need protection.

The additional protection that is granted is not excessive. It does not affect to any degree the men who use the ordinary watch. It does not affect at all the great volume of watches that are purchased. There are about 9,000,000 of those produced annually in the United States. The tariff relates to watches which require greater skill in construction and have greater accuracy from the standpoint of keeping time. The tariff as now proposed in this bill relates to the kind of watches which have been created since 1922 and which had not been manufactured and therefore not provided for in the law of 1922.

Mr. BARKLEY. Mr. President, I do not wish to consume the time of the Senate unnecessarily; but I do desire to state briefly the situation as it occurs to me with reference to the amendment that is now before us and the situation which calls it forth. It is a very complicated situation that makes it difficult for the layman to figure out an average of the duties levied in the House and Senate committee provision compared to the present law, but experts in whose judgment and ability I have confidence have advised me that the present rate of duty on these watches averages about 61 per cent, and that the increase which is involved on the average increases the duty to about 91 or 92 per cent. The Senator from Utah [Mr. SMOOR] indicates his approval of that statement.

Mr. SMOOT. O Mr. President, I had another matter in mind. I have asked the Senators from Illinois to look it up.

Mr. DENEEN. I am looking it up.

Mr. BARKLEY. I beg the Senator's pardon. I am always so happy to receive the approval of the Senator from Utah that possibly I was too optimistic. But while, as I indicated, the average under the amendments offered by the House and the Senate committees will provide a duty of about 91 per cent on the large bulk of the imports, the duty is increased as high as 300 and 400 per cent, and in some isolated instances almost 500 per cent.

Mr. DENEEN. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Illinois?

Mr. BARKLEY. I yield.

Mr. DENEEN. Is it not a fact that those increases are upon the inconsequential parts, so far as price is concerned, like the parts which cost 1 or 2 or 3 cents, and are put on for the purpose of keeping them out of the country and forcing them to come in as integral parts of completed watches?

Mr. BARKLEY. I agree that they are put on for the purpose of keeping them out of the country.

Mr. DENEEN. As parts.

Mr. BARKLEY. But I do not agree that the increases are limited to parts. I think if the Senator will examine he will find that on some of the watch movements which are brought here and installed in cases after they reach the United States, there is an increase of tariff as high as 280 to 300 per cent over the 1922 act. Of course, it is true that on extremely high-priced watches, very valuable watches with a large number of jewels, there has been a pretense of reducing the tariff, but that does not affect the great bulk of the importations which come in here largely from Switzerland of the medium priced and cheaper classes of watches which are sought to be pro-

hibited from entering by this very clever manipulation of expert knowledge on the part of watchmakers joined by some of the importers, who are as anxious to eliminate importations in competition with their own importations as are the manufacturers to prohibit and eliminate competition with their own manufactured products.

That is largely the reason why a certain percentage of the importers who import medium-price and high-price watches have joined with the manufacturers in order to bring about an embargo on the cheaper classes of watches which are purchased by the people of the United States who desire to purchase the cheaper classes of watches in the lower jewel and nonjewel movements.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. I understand that the lower grades of watches on which it is proposed to raise the duty so high are watches that are not produced in this country by the Big Four of the watchmakers.

Mr. BARKLEY. Some of them are, and some of them include watches that may come here in competition with American-produced watches. But the very large proportion of those watches which bear the enormously high rates are watches which are not made by American watchmakers. But, of course, we can very readily understand their desire to eliminate importations because if the American workman and the American schoolgirl and the American housewife can not buy a watch that ranges in price from \$15 to \$25 they will be compelled, if they buy watches at all, to buy the high-priced watches. So it is natural that the domestic manufacturers should desire to eliminate the importations on the theory of those who advocate a tariff on bananas, so that if bananas can not come in at all the people will be required to eat peaches and apples and pears.

I maintain that the American watch industry as represented by the large manufacturers is not in such condition as to call for any increase in the tariff. There are only four or five large manufacturers of watches in the country, and while there are some other smaller ones such as those mentioned by the Senator from Illinois [Mr. DENEEN], one or two of which I have never heard of, yet the large manufacturers of watches in the United States are the Elgin Watch Co., of Illinois, the Hamilton Watch Co., the Waltham Watch Co., and the Howard Watch Co., with some production on the part of the Waterbury Watch Co. in Connecticut.

Under the present law a watch with one jewel which is not adjusted bears a tariff of 75 cents. Under the Senate Finance Committee amendment it would bear a duty of \$1.10. Of course, the manipulation of the change in the method of calculating the tariff from the present law is very complicated and was designed—and I do not say that in any way to reflect on the Senate committee because that committee, either as to its majority members or its minority members, are not expert watchmakers. Nobody in the world who is not an expert watchmaker could have written the provisions either in the House text or the Senate committee amendments.

I think it is only fair to say that in the consideration of the subject both the Senate committee and the House committee took the classifications and the language which were submitted to them as a result of the agreement among the American watchmakers, joined by a certain percentage of the high-priced watch importers. There is no dispute about that. The language in the bill as it is now carried, both in the House text and in the amendment proposed by the Senate Committee on Finance, represents what the American watchmakers came down here to get. It not only represents what they came here to get in tariff rates, but it represents what they came here to get in classification and in change of language so as to stop up every possible hole by means of which the cheaper watches might be imported into the United States.

The Senator from Illinois [Mr. DENEEN] a while ago admitted very frankly, as he would of course do in any discussion, that the object was to prevent the bringing in of the parts especially. He did not go so far as to say that the object is to prevent the importation of the cheaper watches; but he might as well have said it, because that is the object.

Let us see what the situation is with reference to the production and the importation and exportation of watches. In 1923 the American watchmakers produced 2,091,747 jeweled watches. In 1927 they produced 2,281,000. The total production of American watches and watch movements and watch parts and watch-cases which go to make up the completed watch was 46,000,000 plus last year. The figures were put in the RECORD a while ago by the Senator from Pennsylvania [Mr. REED]. As against that \$47,000,000 domestic production of watches and watch parts and

watchcases, we imported in the neighborhood of \$12,000,000 of works and parts and cases, and we exported about \$1,750,000 worth of the same products. One-fourth of all the importations into the United States of watches and watch parts comes from Switzerland.

Mr. President, I desire to call attention to a situation which, I think, we ought to consider in connection with the levying of tariff duties. We are an exporting nation; we sell to the other nations of the world more of our products than we import from them. Not only has that been true in the years past but during the first six months of 1929 our exports to other countries exceeded our imports by nearly \$500,000,000. As a part of our exports we sent last year to Switzerland a little more than \$47,000,000 worth of American products. Those products did not spring automatically into existence; they required American capital; they required the labor of American workmen. While we are talking about wages for American laboring men we might consider that hundreds of thousands of our laboring men are engaged in the production of products which we export to all the nations of the world; and in our dealings with other nations I think we might as well consider whether we are to give consideration to keeping employed those men who are sending our ships and our products to all the markets of the world.

Mr. NORBECK. Mr. President—

The PRESIDING OFFICER (Mr. HATFIELD in the chair). Does the Senator from Kentucky yield to the Senator from South Dakota?

Mr. BARKLEY. I yield.

Mr. NORBECK. The American farmer gets no more for his bushel of wheat, his bale of cotton, or his pound of pork when consumed in Pittsburgh, than when used in London, Paris, or Rome. Europe will continue to fix the prices of the farmer's products as long as Congress denies an American price to the producers of our staples, which constitute 75 per cent of the products of the American farm. These are sold in competition with the cheap labor of Europe. Only 25 per cent get any tariff protection whatever, and in most cases very inadequate, mainly because the tariff can not reach the problem. Three farmers out of four must buy in a high domestic market and sell at low foreign prices.

The tariff is not effective on wheat. It is a joke on pork. It is not even attempted on cotton.

The American manufacturer now controls over 97 per cent of the American market. Does he want a complete embargo? The farmer says if we close our markets entirely to European goods then the Europeans will be unable to buy the products of our farm and our prices will decline. His interest in the welfare of European factories has a good foundation.

Mr. BARKLEY. Of course, that equation enters into it.

In comparison with the \$47,000,000 worth of American products which we send to Switzerland, we only import from Switzerland \$33,000,000 worth, which leaves a balance of trade in behalf of the United States of more than \$14,000,000 as against the little Republic of Switzerland. If we cut off one-fourth of their imports into the United States, as represented by watches and watch works, then, I ask you, Mr. President, will they not be required to decrease the amount of American products which they buy from us, and which we sell to them, and which provide dividends for American capital and work for American laboring men?

I am not a watchmaker; as I have said, all I know about the industry is what I am advised by the Tariff Commission and by both sides of this controversy, because both sides have done me the compliment to take up a considerable part of my time talking about it. I am glad that they did so, because I am not afraid of anybody who comes here and sends his card on to the floor of the Senate and asks me to come out into the reception room and talk to him about anything in which he is interested. Whenever I become sufficiently cowardly that I am afraid to walk out of here and in the open daylight, speak to anybody who wants to talk to me about the public business, then, I think, I will have no place on this floor. Therefore I have talked with the representatives of all interests—the importers, the manufacturers, and others—and I have tried to get their viewpoint. I have also tried to secure impartial information from both the Department of Commerce and the Tariff Commission, which has supplied us with such valuable information not only as to this item but as to all other items in the pending measure.

The Senator from Illinois has referred to a watch that now reposes in the corner of the Senate Chamber in what the Senator from Nebraska [Mr. NORRIS] has called "Mr. Grundy's store." The statement is made in the sheet attached to that watch that it cost \$5 to make it in Germany; that it cost to get it here \$1; that the landed cost in New York was \$6; and that it sells for \$55. That is held up to us as a "horrible example"

of the profits the importers are making. I happen to have a telegram from the company that imported that watch and sold it in the United States. I have just received the telegram to-day. That watch is known as the Harwood watch. If Senators will examine it they will find the word "Harwood" written across its face.

Mr. GLENN. Mr. President, I have been trying to find that watch, but I have not been able to find it.

Mr. BARKLEY. It is on the table, or was a little while ago. I have been trying to make away with it, but have not been able to do so. [Laughter.] However, only 30 minutes ago it was at this end of the table, in a rectangular little case, with a sheet of paper attached to it indicating its cost.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. BARKLEY. I yield.

Mr. SMOOT. There is no question, I will say to the Senator, but that that watch came in at a valuation of \$6. The importer either cheated the Government, and did not tell the truth at the time the watch came in, or—

Mr. BARKLEY. Of course, if the importer cheated the Government, then there is a way to remedy that other than increasing the tariff duty.

Mr. SMOOT. I did not say that he did cheat the Government.

Mr. BARKLEY. If we increase the tariff on articles on which the importers are now cheating the Government, a further incentive to cheat the Government will be given to them because of the high rate placed on the articles which come here.

Mr. SMOOT. I did not say that the importer did cheat the Government, but I do know that the Government says that that watch came in with a valuation of \$5, and expenses of \$1, making \$6 in all. I do not care what the telegram says.

Mr. BARKLEY. Here is a telegram I have from William L. Royall, chairman of the board of directors of the Perpetual Self-Winding Watch Co., which imports and sells in the American market the watch referred to.

Mr. SMOOT. I did not refer to the amount that is charged the purchaser for the watch. I was merely referring to the valuation on the watch at the time it entered the port of the United States.

Mr. BARKLEY. I will read the telegram. I do not know the sender of the telegram personally; I merely received the message and will put it in the Record for whatever it may be worth.

The Harwood watch is owned by the Perpetual Watch Co. The cost is as follows: Movement, \$8.36; duty, \$2; case, \$2.05; strap and buckle, 31 cents; display box and shipping box, 87 cents; regulation casing and repair under guaranty, \$4.05; totaling \$17.64. The figures can be verified by the Finance Committee's own certified public accountant at any time they desire.

Mr. GLENN. May I ask what the retail price of the watch was?

Mr. BARKLEY. The retail price, in all probability, was \$55; and if that was its price, the additional profit was obtained by the American retail jeweler, who added that much to the price which he paid to the wholesaler in order to obtain it. But we can not regulate the profits of American jewelers by increasing the tariff on a commodity that is universally used by people in the United States who are not in a position to buy the higher-priced watches for their use.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. BARKLEY. I yield.

Mr. SMOOT. I should like to have the name of the person who sent that telegram. I wish to ascertain who is responsible for swearing to a valuation of \$5; whether it was the importer or who it was; for I should like to have the Government get in touch with him.

Mr. BARKLEY. The man who sent the telegram is William L. Royall, chairman of the board of directors of the Perpetual Self-Winding Watch Co., of New York. He says his company owns the Harwood watch, and that it is one they make.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Maryland?

Mr. BARKLEY. I yield.

Mr. TYDINGS. Is it not a fact if the profit on this watch was unreasonable that if the tariff were increased on it and kindred watches the profit would be still more unreasonable?

Mr. BARKLEY. Of course, that is correct. The Senator might go further and state that the real object of those who are seeking this enormous increase in the tariff on watches is that they may be able not only to restrict the importation of

them but deprive the American people of the right to purchase them, thousands of whom can not afford the high-priced watches. This is the type of watches purchased in large measure by men who labor and by their wives and daughters. The American schoolgirl who is not able to buy a wrist watch for \$15, \$20, or \$25 is able to buy a watch such as this; but if the tariff duty is raised to the point desired, the American schoolgirl will either have to go without the cheaper grades of wrist watches or buy the higher-priced domestic product.

Mr. TYDINGS. Then, what really happens is that a certain group of Senators complain of a bad situation and then frame a law so that that bad situation will be made worse.

Mr. BARKLEY. The Senator has put it in language more forceful and pungent than I myself could dream of doing.

Mr. SMOOT. Mr. President—

Mr. BARKLEY. I yield to the Senator from Utah.

Mr. SMOOT. I want the Senate to understand that what I said in relation to the watch had no reference whatever to the rate provided in this bill. I am quite sure that the Senator will agree with me that if there has been an undervaluation it ought to be made known.

Mr. BARKLEY. Absolutely.

Mr. SMOOT. That is all the interest I had. I shall look into the matter further.

Mr. BARKLEY. I want to say to the Senator in this connection that I know nothing about this matter except the information I have received in the telegram which was occasioned probably by an inquiry which I myself made. Having listened to the pathetic appeals made recently about this watch on the table, I myself set in motion an inquiry as to the real facts, and in reply to that inquiry this telegram came to me since I arrived in the Senate this morning.

Mr. President, the statement has been made that 80 per cent of the importers have agreed to this rate. It would not have any effect on me if 100 per cent of them had agreed to it. I will not vote for any rate that is cooked up by interested parties who meet in secret and agree on the rates they want and then come down here and tell the committees of Congress, "This is what we have agreed on"; and because they have agreed on it we are required to vote for it. However, it is not true to say that 80 per cent or 75 per cent or, in my judgment, more than 25 or 30 per cent of the importers of foreign-made watches have agreed to this scale of rates or to this change in the tariff rate.

I have here a list of watch manufacturers and importers who are opposed to the rates of duty proposed. Of course, many of the importers, as Senators understand, do not import the complete watch; they bring the parts over; they employ American labor in installing the movements in American-made watchcases, and, because they are able to import these watches into the United States at a cheaper price than some of the domestically manufactured watches, they have been able to increase the demand for watches, which has automatically increased the demand for watchcases which are made by American manufacturers of watchcases and by American laboring men.

The Bulova Watch Co. heads the list of those that have not agreed to the proposed rate. The watch produced by that company has received considerable attention here because it is a well-known brand. The Bulova Co. is able to have an hour or half an hour set apart, I believe, each night over WRC or some other radio broadcasting station to advertise the Bulova watch, and they give a fairly good program, as a number of other industries do which are able to employ the radio in advertising their products. The other companies on the list are as follows:

Gothic Watch Co., Westfield Watch Co., Arrow Manufacturing Co., Louis Adels & Co., Goldsmith Stern & Co., Knickerbocker Watch Co., Namdor Watch Co., United Jewelers (Buren watch), Speidel Chain Co., North American Watch Co., Norman Morris & Co., Piedmont Watch Co., Awon Watch Co., Savoy Watch Co., Korones Bros., Hamel Riglander & Co., M. J. Lampert & Co., Manhattan Watch Co., Sonpalan Watch Co., Jagot Watch Co., Modern Watch Co., American Standard Watch Case Co., Pioneer Watch Case Co., Etna Watch Co., Weinstrum Watch Co., I. Ollendorf & Co., Gotham Watch Co., Strickland Watch Co., Pennant Watch Supply Co., Boston Watch Co., Toledo Watch Co., Bayer Pretzfelder & Mills (Elaine Goering Watch Co.), Glycine Watch Co.

That is a list that I have obtained, somewhat at random, of watch companies that have not entered into this agreement to raise the rates on American watches to the American people to this exorbitant point.

Mr. President, something has been said about the deplorable condition of the American manufacturers of watches. In order that we may understand the situation—and, as I said a while ago, these four or five companies make practically all the watches in the United States of domestic manufacture—let us take the Elgin Watch Co.

I am prepared to admit that the profits of the Elgin Watch Co. have been somewhat reduced; but what were they before the reduction started? The vice president of the Elgin Watch Co. did me the courtesy to call at my office and discuss this matter with me very courteously and very frankly; and he admitted to me, and he did it without hesitation, that the figures I am about to quote were correct.

The Elgin Watch Co. was incorporated in 1864. In 1922 there was outstanding common stock of \$6,000,000, besides what was called employees' stock of \$440,000. As there had been stock dividends prior to this of 25 per cent in 1903 and 20 per cent in 1920, it follows that the total amount of paid-in capital was not more than \$4,000,000. Later stock dividends were paid amounting to 25 per cent in 1923 and 25¼ per cent in 1925, which increased the stock to the present \$10,000,000 without adding a dollar to the investment in the purchase of that stock.

The cash dividends of the Elgin Watch Co. have been very substantial each year. In 1926 they paid a cash dividend of 35 per cent on \$10,000,000 in capital, which represented 87½ per cent on the amount of money originally invested. Now, I ask in all good conscience, Where is the depression? In 1927 they paid 16 per cent cash dividend on the \$10,000,000 of outstanding stock, which represented 40 per cent on the original investment. In 1928 they paid 14 per cent cash dividend, which represented 35 per cent on the original investment; and, admitting that their cash dividends have decreased somewhat in the last five or six years, are they not still within the range of extreme prosperity that I think the average industry of the United States would be delighted to enjoy?

Not only that, Mr. President, but each year the company has had surplus earnings, so that a surplus has accumulated amounting to \$5,000,000, and in addition to this there is a contingency reserve of a million and a half dollars, all of which makes the present equity of the original paid-in capital about four times its original worth; and yet we are asked to increase the tariff on watches in order that this "depressed" branch of the watch industry may be able to limit, if not to destroy, foreign competition!

Now, let us see about the Waltham Watch Co., referred to a moment ago by the Senator from Massachusetts [Mr. WALSH].

The Waltham Watch Co. has its plant in Massachusetts. This company in 1922 was unable to secure sufficient working capital on account of increased inventories, and was, therefore, reorganized in February, 1923. Under the reorganization plan a syndicate headed by Kidder, Peabody & Co. bought, for \$5,550,000 in cash, bonds and preferred stock of the new company of the par value of \$7,000,000, and all of the class A no-par common stock, amounting to 25,000 shares, and 7,000 shares of the class B no-par stock out of a total of 70,000 shares. The old stockholders were asked to subscribe at par for \$1,700,000 of new 7 per cent prior-preference shares, and for their old stock of \$12,000,000 par value were given new 6 per cent preferred stock of \$4,000,000 par value, and 63,000 shares of the no par class B common stock.

The reorganization brought about under these conditions in 1923 has been extremely profitable. The price increase of the 7 per cent prior preferred has been from \$65 in 1923 to \$106.50 per share in 1928. In the case of the 6 per cent preferred stock, the price increased from \$15 to \$98 between 1923 and 1928; and in the case of the class B common stock the increase was from \$5 a share to \$91 a share. The company has retired or reacquired \$4,341,500 of par value of its bonds, all of its outstanding bonds except \$1,658,500. It has retired \$529,900 of its prior preferred stock, and \$1,807,100 of its 6 per cent preferred stock. Dividends are now being paid on the class A common stock—all of which was issued to the syndicate, by the way—but the amount is not reported. In 1928 there was earned, after the class A dividend, \$454,000, which amounts to \$10.50 per share on the class B stock outstanding.

That is the condition of the reorganized Waltham Watch Co., which is located in Massachusetts, since 1923.

Let us see about the Hamilton Watch Co., which took over the Illinois Watch Co. out in Illinois.

This company was incorporated in 1922, and now has plants in Pennsylvania and Illinois. It has outstanding common stock to the par value of \$5,000,000, on which not more than \$500,000 as a maximum was paid in cash, all the balance representing stock dividends. Two million dollars of this \$5,000,000 total, which represents stock dividends, was declared and paid since 1922.

So that under the act of 1922, which is the present law which I am seeking to restore in my amendment, the Hamilton Watch Co. has declared \$2,000,000 in stock dividends, increasing its stock from \$3,000,000 to \$5,000,000; and it had increased its stock theretofore from \$500,000 to \$3,000,000 by the same process of declaring stock dividends. The present rate of dividends of

the Hamilton Watch Co., which took over the Illinois Watch Co. and which has undergone these various stock-dividend increases without the addition of any money, is 15.6 per cent. When you figure 15.6 per cent on \$5,000,000 of present capitalization it represents 156 per cent on the original investment in the Hamilton Watch Co.; and yet they have joined in this request for an enormous increase in the tariff on watches so that they may increase their profits at the expense of the American people by denying them the opportunity to wear and purchase watches that cost less money than they themselves produce them for.

The Waterbury Clock Co. has a plant in the State of Connecticut. It makes nonjeweled watches. It does not report earnings or dividends, but has a capital stock of \$4,000,000 and a corporate surplus and reserves of \$4,886,000. In other words, its reserve fund now amounts to more than its capital stock.

So, Mr. President, a stockholder who originally put \$1,000 into the Elgin Watch Co. now has stock worth \$4,500, and an equity of \$300 in the earnings of the Elgin Watch Co.

Mr. GLENN. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Illinois?

Mr. BARKLEY. I do.

Mr. GLENN. In all probability, that stockholder would be dead now; would he not? That was 67 years ago.

Mr. BARKLEY. He probably has some heirs. The race has not died out in Illinois.

Mr. GLENN. I thought the Senator said "a stockholder."

Mr. BARKLEY. Somebody owns that stock.

Mr. DENEEN. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the senior Senator from Illinois?

Mr. BARKLEY. I yield.

Mr. DENEEN. Does the Senator think that the philosophy he has just stated about prices will apply to the cheap lands out in the Northwest which were purchased 65 years ago for \$3 and \$5 an acre, and that the profit of the present owners should be limited to a return on that price?

Mr. BARKLEY. If the landowners were here now asking for a tariff on land to keep any foreign dirt from coming in, as you are asking to keep these foreign watches from coming in, I should say the same rule might apply; but they are not doing that.

Mr. DENEEN. A duty is being asked on the products of that land.

Mr. BARKLEY. It is hardly a fair illustration to refer to lands taken up 60 years ago out in the West; but I dare say that the profits of the owners of the Elgin Watch Co. are infinitely greater now than the profits of those who now own the lands taken up 60 years ago.

Mr. DENEEN. Some of that land was valued then at \$2.50 an acre, and it has sold for \$150 an acre since. Does the Senator's views on land apply to that? I understand that the rates on the farm schedule that we have before us was presented to us by the organized farmers who had agreed upon the rates which would be asked.

Mr. BARKLEY. Yes; but the farmers have been able to make a case here. They have contrasted the benefits received by industry from the tariff rates of the act of 1922, and they have been able to show how those very rates enjoyed by industry operate as a burden upon American agriculture; and in order to compensate them somewhat for that burden they have asked that the rates on agricultural products be likewise increased. I am in sympathy with that request on their part, and I propose to vote for every farm rate that gives any reasonable prospect of giving something to the farmer to compensate him for the burden he bears, not only by reason of the industrial rates in the present law but by reason of the increased industrial rates that you are seeking to impose in this bill.

Mr. President, I have occupied all the time I desire to take.

Mr. GLENN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Illinois?

Mr. BARKLEY. I yield.

Mr. GLENN. I think the Senator from Kentucky will agree with me that in line with the figures he has just given, and the study he has made of the profits of the corporations engaged in the watch business, it would be proper now for him to enlighten us further with a statement as to the profits which are revealed by his study of the Bulova Watch Co.

Mr. BARKLEY. The report, I think, indicates that the Bulova Watch Co. last year made a million dollars and a little more.

Mr. GLENN. On how much capital?

Mr. BARKLEY. I do not know what the capital stock of the Bulova Watch Co. is. I know nothing about it. I have gleaned

that information from the reports of the Tariff Commission and other information. But what light does it shed upon the merits of the request of the American watchmakers, some of whom have declared dividends of not less than 14 per cent, to refer to profits made by an importer of watches? There may be a way to get at the profits of the importers, and if they are making too much in profits I will join with the Senator in any fair and legal way to recapture some of those profits for the benefit of the Government and the people; but it will only add to the profits of the domestic manufacturers if we make it impossible for the Bulova and other watch companies to import their watches here to sell to the American people.

Mr. GLENN. If the Senator will yield, I think it sheds considerable light upon whether the interest of the Senator from Kentucky is really in cutting down the profits of the American watch companies and leaving the profits to the importer as they are; in other words, as to whether or not the real purpose of the Senator from Kentucky is to protect American labor and American capital, or to protect Swiss labor and Swiss capital.

Mr. BARKLEY. That is not the question. We have had this controversy always, this straw man raised up here about the compensation of American labor and foreign labor. The Senator knows that in any controversy on anything like equal terms between an American laborer and a foreign laborer I am always for the American laborer, but, at the same time, I am for the American people, and I want to know whether or not these enormous profits, ranging from 14 per cent on watered stock up to 250 per cent, have gone to labor, or whether they have gone into the pockets of those who own the stock of the companies.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GLENN. The Senator is sincere, and has given this subject study. I do not know one who is more emphatic in his statements than he as an advocate of the American laborer, and he wants to see everything reasonable done for American labor. May I suggest that as to these two paragraphs the undisputed statement is made that for every dollar that comes in here from Switzerland in the way of watches, 90 cents is taken away from American laboring men. The Senator from Kentucky will never have a better opportunity to demonstrate by his vote his real friendship for American labor than he will on these two paragraphs now before us.

Mr. BARKLEY. For every 90 cents that the American laboring man loses by reason of watches that come in from Switzerland, he makes \$1.25 by the exportation of American products that we send to Switzerland. Yes; the Senator is willing to swap \$1.25 for 90 cents. I would remind the Senator that that is a very poor indication of business acumen, and it is not the basis on which I want to write a tariff bill.

Not only have American watchmakers made these enormous profits to which I have referred, but the retail jewelers, by their consent and by their advertisements and by their price lists, mark watches from 90 to 145 per cent up above the cost to the American watchmaker in fixing the prices at which he sells it to the American consumer. It may be and I suppose is true that the importer marks up a higher percentage than that, but when the domestic manufacturer is advertising to the American retail jeweler that he can mark up the price from 90 to 145 per cent on the domestic product, then I think he has no case to come here and ask for another increase in the tariff, when he has been able to profit so greatly under the present law.

Mr. DENEEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. DENEEN. The Senator from Kentucky a moment ago complained very bitterly that the manufacturers and the importers, or a certain proportion of them, had joined in writing rates that had raised greatly the tariff rates upon purchasers of watches here. May I restate the information I have tried to make clear in my speech? The rate on a 17-jeweled watch was \$6.50 under the 1922 law. In the Senate committee bill it is \$4.31.

Mr. BARKLEY. Yes; you have made a show of decreasing the tariff on these high-priced watches in order that you may put over this increase on the lower-priced watches. The average workingman is not interested in these high-priced watches; he is interested in the medium and low priced watches; and of what benefit is it to the average American citizen to have the tariff reduced from \$6 to \$4.50 on a 17 to 21 jeweled watch when you have increased it on all the watches below that?

Mr. DENEEN. On the nonjeweled watch the rates were the same in the 1922 law, the bill as it passed the House, and in the committee bill.

Mr. BARKLEY. What about the rates on watches with from 1 to 7 jewels?

Mr. DENEEN. On a jeweled watch with 7 jewels—that is, the standard watch—in 1922 the rate was \$1.25; in the Senate committee bill it is \$1.60.

Mr. BARKLEY. It is an increase of about 50 per cent.

Mr. DENEEN. Thirty-five cents a watch; that is, providing they add to the cost of the watch the full tariff. That is the maximum.

Second, on a 15-jeweled watch the rate was \$2 under the act of 1922, \$2.60 under the Senate committee bill.

Third, the rate on a 17-jeweled watch under the old law was \$6.50, and that is reduced to \$4.31 by the Senate committee.

Fourth, on the 19-jeweled watch the old rate was \$10.75, and the rate in the committee bill is \$4.67.

Mr. BARKLEY. Will the Senator give us the ratio of American citizens who buy 19-jewel watches as compared with those who buy watches with the smaller number of jewels?

Mr. DENEEN. To which class does the Senator refer?

Mr. BARKLEY. I refer to all classes that buy 19-jewel watches.

Mr. DENEEN. One jewel or none, 35 cents each. There is no change.

Mr. BARKLEY. The Senator misunderstood me. He referred to the fact that the committee has decreased the tariff rate on watches with 19 jewels.

Mr. DENEEN. Yes.

Mr. BARKLEY. I asked the Senator what proportion of the American watch wearers buy 19-jewel watches as compared with those who buy the cheaper grades.

Mr. DENEEN. It is obvious that I could not answer that, nor could anybody else.

Mr. BARKLEY. But I think the Senator would agree that the number of the users of 19-jewel watches and 21-jewel watches, and even 17-jewel watches, is infinitely lower than the number using watches ranging from 6 up to 11 and 15 jewels.

Mr. DENEEN. The answer to that is that only two are increased, one from \$1.25 to \$1.60 and the 15-jewel watches from \$2 to \$2.60.

Mr. BARKLEY. Of course, the Senator realizes that in addition to all the complicated method by which the diameter of the movement is to be considered and the adjustments are to be considered, you have added here a tariff of 35 cents per jewel on all watches that contain up to 7 jewels, and that on watches containing between 7 and 15 the rate is 9 cents for each jewel, and above 15 it is 18 cents for each jewel. So that you have put a tariff on each jewel in the lower-class watches of more than twice the rate you will put on the jewels in the medium-priced watches and the high-priced watches. Therefore in proportion to a man's poverty, if he wants a watch, he must pay more for each jewel that it contains.

Mr. DENEEN. Mr. President, the figure 35 cents in line 6, page 92, was inserted in the measure to avoid fraud in the way of evasion of duty, and for no other purpose, and that adds 35 cents to \$1.25, provided under the old act, to keep out these fraudulent watches, making \$1.60.

Mr. BARKLEY. Reference has been made to the importation of parts. I may say that the parts against which complaint is made pay 50 per cent duties, and that last year only \$250,000 worth came in; so that is not a serious matter.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SMOOT. Mr. President, I want to call attention to page 92 of the bill, which gives the rates on watches with the different numbers of jewels, as follows:

If having not more than 7 jewels, 35 cents; if having more than 7 and not more than 15 jewels, 9 cents for each jewel; if having more than 15 jewels, 18 cents for each jewel.

Mr. BARKLEY. Mr. President, in other words, the jewel that comes over in a watch with only 7 jewels bears a rate of 35 cents, but the same jewel in a 15-jewel watch bears a duty of only 9. So that in proportion as a man is unable to buy an expensive watch, you tax him more highly on the jewels contained in the cheap watch.

Mr. SMOOT. The Senator is wrong in his construction of the language. Thirty-five cents is for the 7-jewel watch.

Mr. BARKLEY. That is, 35 cents per jewel.

Mr. SMOOT. No; it says 35 cents each. It does not say 35 cents per jewel. It reads:

If having not more than 7 jewels, 35 cents; if having more than 7 and not more than 15 jewels, 9 cents for each jewel; if having more than 15 jewels, 18 cents per each jewel.

So that the construction the Senator put upon the first 35 cents is not borne out by the wording of the paragraph.

Mr. BARKLEY. If that is the construction to be placed on it, the language certainly ought to be clarified to carry the meaning out.

Mr. DENEEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield, but I want to conclude my remarks and get a vote.

Mr. DENEEN. I understood the Senator to state that the imports of parts amounted to \$250,114 in 1923.

Mr. BARKLEY. Yes.

Mr. DENEEN. Has the Senator the statistics regarding the imports in 1923?

Mr. BARKLEY. I have them here somewhere.

Mr. DENEEN. They were \$13,000 then, I am informed.

Mr. BARKLEY. I do not dispute that, but they will have to go a long way over \$250,000 before they seriously interfere with the American domestic factories.

Mr. REED. Mr. President, before we leave this matter of the watch paragraph, I think that in justice to the American industry I ought to put in some figures.

I have a statement audited by certified public accountants showing the aggregate earnings of the Seth Thomas Clock Co., the Waterbury Clock Co., the E. Ingraham Clock Co., the New Haven Clock Co., the Lux Clock Co., the Gilbert Clock Co., and the Sessions Clock Co. Those are the Connecticut manufacturers of watches and clocks. I am told that for the year 1925 the aggregate earnings of all those companies was \$1,956,000. In the next year, 1926, the aggregate had slumped to \$1,737,000. In 1927 the earnings were \$1,688,000, and in 1928 they were \$1,627,000. Those are the domestic manufacturers. That is one side of the picture.

Here is the other side of the picture. If we take the earnings of the Bulova Watch Co., as advertised in the broker's circular on which the stock was recently sold to the public, in 1926 their earnings were \$291,000, in 1927 their earnings jumped to \$696,000, in 1928 they amounted to \$1,201,000. There was a 300 per cent increase in 1928 over 1926, while the American manufacturers' earnings in the adjoining Connecticut district were steadily declining during the same period.

That is the situation our friends of the coalition want to perpetuate, and it is time the American people knew it.

Mr. GLENN. Mr. President, before voting upon the matter I think we should pay a little more attention to the financial condition of those actually employed in the industry. Our friend from Kentucky [Mr. BARKLEY], as it seems to me, has wholly disregarded that part of the situation. He claims to be a great friend of the laboring man, but the fact that in one factory in Illinois, the largest of all the watch factories in the country, I believe, within the last two or three years almost one-fourth of its employees have been discharged on account of lack of business carries no weight with him at all. The fact that capital has earned profits forecloses the laboring man and the artisan in his judgment from sharing in the profits. The fact that domestic production of watch movements last year amounted to only one million seven hundred and fifty-seven thousand and odd movements, and the importations amounted to more than twice that number, 3,842,000 movements, cuts no figure with those who are opposing the two pending provisions of the tariff bill. The fact that Swiss labor, or foreign labor largely Swiss, produces more than twice as many movements for watches sold in the United States as are produced by the American laboring man cuts no figure with the Senator from Kentucky.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. GLENN. I yield.

Mr. BARKLEY. In this connection I should like to point out to the Senator that in 1914 the proportion of the cost of producing watches in America drawn by labor was 58.75 per cent, but in 1927 the proportion of the cost of producing an American watch drawn by labor had been reduced to 51.46 per cent. If the laboring man is not drawing his share it is not due to the tariff but is due to the policy of his employers.

Mr. GLENN. That is ignoring the question of putting the parts together and assembling the watches. But if it is only 50 per cent, I would rather have the 50 per cent earned by American labor than earned by Swiss or French or Italian labor or laborers of some other country. When we are proceeding under the benefits supposedly of a protective tariff, and everyone on the other side of the Chamber says now that he believes in a protective tariff. No one upon the Democratic side of the Chamber is bold enough any longer to say that he opposes the theory of a protective tariff. His own candidate for President in the Senator's own city of Louisville changed the position of his party and assumed the position which the Republican Party has maintained so long.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. GLENN. I yield.

Mr. BARKLEY. I do not want to prolong the agony by political debate.

Mr. GLENN. The agony has not come altogether from me.

Mr. BARKLEY. I want to call the attention of the Senator to the fact that no one on this side of the aisle has been bold enough either to advocate an embargo.

Mr. GLENN. But there is no embargo involved here. With foreign watchmakers sending in more than double the amount of watches manufactured in the United States, how can the Senator claim there is anything like an embargo here?

Mr. MCKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. GLENN. I yield.

Mr. MCKELLAR. Just in self-defense I want to say that I am one who either is bold enough or frank enough to say that I do not believe in a protective tariff.

Mr. GLENN. Has the Senator any company on his side of the aisle?

Mr. MCKELLAR. I want to say, too, that I did not indorse that part of our Democratic platform which apparently declared for protection. I did not indorse it last year, and I do not indorse it now; and I want to say that the Senator from Illinois must exclude me from the statement he just made.

Mr. GLENN. I think the Senator will admit that he is of a lone kind on his side of the Chamber.

Mr. MCKELLAR. No; I do not think so.

Mr. GLENN. Mr. President, we find that while domestic production of movements has not increased there has been an increase in the movements imported by the Bulova Watch Co. which has, as the Senator from Kentucky [Mr. BARKLEY] stated, a wonderful radio program. I do not recall having heard him speak on that program, but they do have a good program.

Mr. BARKLEY. I did not intimate that I spoke on their program. I am a listener. I am satisfied, good as their program may be, that it might be improved if the Senator from Illinois would participate.

Mr. GLENN. At any rate, the Bulova people, whom the Senator from Kentucky advocates so strongly, increased their sales in the United States 322 per cent, and yet this great friend of American labor, the Senator from Kentucky, advocates a continuance of the present situation. He boldly charges the Senate Finance Committee with having written tariff schedules for the benefit of the American watch people. He said that the American watch people came down here and the tariff schedules were written just as the American manufacturers wanted them. I believe that was the statement of the Senator from Kentucky.

I presume that we who believe in American labor and American capital might as well and as fairly charge that the substitute which the Senator from Kentucky offers is entirely satisfactory to the foreigners who are sending their watch movements into America to such a great extent.

Mr. BARKLEY. Mr. President, if the Senator will yield again—

Mr. GLENN. I yield.

Mr. BARKLEY. I will say that the substitute which I have offered is in the language of the Republican Party in the act of 1922, which has been proclaimed as the creator of the marvelous prosperity which we are now enjoying in the United States.

Mr. GLENN. And it is the paragraph against which the Senator from Kentucky voted at that time, if I am correctly informed.

Mr. BARKLEY. I have gone so far in my approval, as the Senator indicated a while ago, I believe, as to be willing to accept a Republican tariff provision when it is put up against a new doctrine of an embargo against any importations in order that the American manufacturers may enjoy a monopoly of the market.

Mr. GLENN. But the Senator from Kentucky with his acute mind has learned after seven years that he was wrong when he voted against this paragraph in 1922.

Mr. BARKLEY. It is a wise man who changes his mind, but the fool never does.

Mr. GLENN. We have all changed, I think. I believe the Republican Party has been more consistent upon the matter of protection and against free trade than has the party of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I wish to interrupt the Senator only once more. If this were an original proposition and I were delegated to draw the law with reference to the tariff on watches, I do not mean to intimate that I would be satisfied with the provisions of the present law; but as a substitute for

the provision which the Senator is advocating and which he is trying to put over, I have offered it as the next best thing that we can probably attain.

Mr. GLENN. If I were offering a substitute, I think I would not offer one which I had to confess was the least undesirable, but I would offer the one which I thought was the proper substitute. I am surprised that the Senator from Kentucky, with all the thought he has given to this matter, should now announce that his substitute is a worthless and unworthy substitute. We do not think that of the provisions we have offered here. We think they are wise and just and proper.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Montana?

Mr. GLENN. I yield.

Mr. WHEELER. The Senator referred to the attitude or policy of the Republican Party. I am anxious to know just which branch of the Republican Party he speaks for.

Mr. GLENN. I am speaking at this time for the Illinois branch of the Republican Party.

Mr. WHEELER. When the Senator speaks of the Republican Party, it is difficult for us to know just which part of it he speaks for.

Mr. GLENN. If we are going into political history, I would like first to inquire of the Senator who submits the inquiry to me. I wonder for whom he is speaking and for which branch of the Democratic Party he is speaking? My recollection is that he was a candidate on the La Follette Socialist ticket a few years ago. Whom does he represent now? For what branch of Democracy does he speak now?

Mr. WHEELER. I do not think I am called upon to say.

Mr. GLENN. No; I do not think so either.

Mr. WHEELER. The Senator made the statement that he represented the Republican Party, and then I asked which branch of the Republican Party he represented. The Senator said he was speaking for the Illinois branch of the Republican Party.

Mr. GLENN. The Senator should never ask me to answer a question which he himself can not answer when applied to himself.

Mr. WHEELER. Is that a third branch of the Republican Party over on the other side of the Chamber?

Mr. GLENN. It is not desired here that from every \$1,000 of watch movements imported from foreign lands, \$900 shall be taken from the pockets of American labor. I call upon the advocates of labor, especially the Senator from Montana [Mr. WHEELER], who, I think, is the most consistent advocate on the other side of the Chamber, perhaps the most loyal and most sincere advocate, to stand at this time with American labor and vote for American watches produced by American labor upon American soil, that they may be afforded the benefit of a protective tariff system which he has recently adopted as his own.

Mr. WHEELER. Mr. President, in view of the fact that the Senator from Illinois made reference to me a moment ago, I will say that I am interested in protecting American labor, and if I could see where American labor was getting the benefit of the tariff, then I would gladly stand here on the floor of the Senate and vote for it. But when I see the highly protected industries of the country paying niggardly wages, making their employees live in misery and in poverty while they are building up greater and greater increases for themselves and dividing their stock and paying stock dividends and then coming back to the Congress of the United States and asking for a tariff in order that they may pay dividends upon that watered stock, I say to the Senator from Illinois that any labor man who comes to the Halls of Congress asking, if you please, as some of them have, that the Congress of the United States enrich a few manufacturers and take it out of the pockets of the farmers and laboring men of the country, he ought to be ashamed of himself and he ought to hide his face when he goes back to his own organization. What such advocates are doing when they take that attitude is to say, "We want to mulct the farmers and the laboring people in general in order that we may enrich a few watchmakers and a few other people of that kind at the expense of the general public of the United States."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. BARKLEY].

Mr. SMOOT. I demand the yeas and nays.

The yeas and nays were ordered.

Mr. DENEEN. Mr. President, I make the point of the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Barkley	Frazier	Keyes	Shortridge
Bingham	Gillett	La Follette	Simmons
Black	Glenn	McKellar	Smoot
Blaine	Goff	McMaster	Steck
Borah	Goldsbrough	McNary	Steiner
Bratton	Greene	Metcalf	Stephens
Brock	Hale	Moses	Swanson
Brookhart	Harris	Norbeck	Thomas, Idaho
Broussard	Harrison	Norris	Thomas, Okla.
Capper	Hatfield	Nye	Townsend
Caraway	Hawes	Overman	Trammell
Connally	Hayden	Patterson	Tydings
Copeland	Hebert	Phipps	Vandenberg
Couzens	Heflin	Ransdell	Wagner
Cutting	Howell	Reed	Walcott
Deneen	Johnson	Robinson, Ind.	Walsh, Mass.
Edge	Jones	Sackett	Walsh, Mont.
Fess	Kean	Schall	Wheeler
Fletcher	Kendrick	Sheppard	

The VICE PRESIDENT. Seventy-five Senators having answered to their names, a quorum is present. The yeas and nays have been ordered on the amendment offered by the Senator from Kentucky. The clerk will call the roll.

Mr. DENEEN. Mr. President, may the question be again stated? A number of Senators do not understand the question.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The Chief Clerk proceeded to call the roll.

Mr. EDGE (when his name was called). On this question I have a pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the senior Senator from Delaware [Mr. HASTINGS] and vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from South Carolina [Mr. BLEASE] and vote "yea."

Mr. PHIPPS (when his name was called). On this vote I have a pair with the Senator from Georgia [Mr. GEORGE], which I transfer to the junior Senator from Nevada [Mr. ODDIE], and vote "nay."

The roll call was concluded.

Mr. BINGHAM (after having voted in the negative). Mr. President, has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. He has not.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia. I transfer that pair to the junior Senator from Maine [Mr. GOULD] and will allow my vote to stand.

Mr. HAYDEN. I desire to announce that the senior Senator from Arizona [Mr. ASHURST] is detained on public business. If present, he would vote "yea."

Mr. FESS. I desire to announce the following general pairs: The Senator from Kansas [Mr. ALLEN] with the Senator from Utah [Mr. KING];

The Senator from Indiana [Mr. WATSON] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Vermont [Mr. DALE] with the Senator from Washington [Mr. DILL];

The Senator from Ohio [Mr. McCULLOCH] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Colorado [Mr. WATERMAN] with the Senator from Arizona [Mr. ASHURST].

The result was announced—yeas 51, nays 24, as follows:

YEAS—51			
Barkley	Fletcher	McKellar	Simmons
Black	Frazier	McMaster	Steck
Blaine	Harris	McNary	Steiner
Borah	Harrison	Metcalf	Stephens
Bratton	Hawes	Norbeck	Swanson
Brock	Hayden	Norris	Thomas, Idaho
Brookhart	Hebert	Nye	Thomas, Okla.
Capper	Heflin	Overman	Trammell
Caraway	Howell	Ransdell	Tydings
Connally	Johnson	Robinson, Ind.	Wagner
Copeland	Jones	Sackett	Walsh, Mont.
Couzens	Kendrick	Schall	Wheeler
Cutting	La Follette	Sheppard	
NAYS—24			
Bingham	Glenn	Kean	Shortridge
Broussard	Goff	Keyes	Smoot
Deneen	Goldsbrough	Moses	Townsend
Edge	Greene	Patterson	Vandenberg
Fess	Hale	Phipps	Walcott
Gillett	Hatfield	Reed	Walsh, Mass.
NOT VOTING—20			
Allen	George	McCulloch	Shipstead
Ashurst	Glass	Oddie	Smith
Bleas	Gould	Pine	Warren
Dale	Hastings	Pittman	Waterman
Dill	King	Robinson, Ark.	Watson

So Mr. BARKLEY'S amendment was agreed to.

Mr. SMOOT. Mr. President, the next paragraph is 368, on page 98.

Mr. BARKLEY. I have offered a precisely similar amendment to paragraph 368 as the one I offered to paragraph 367.

I ask unanimous consent that that amendment may be now considered under the same circumstances as the amendment to paragraph 367 was considered. I have no desire to discuss the amendment, but I am perfectly willing to let it go to a vote.

The VICE PRESIDENT. The Secretary will state the amendment proposed by the Senator from Kentucky.

The CHIEF CLERK. The Senator from Kentucky offers an amendment to strike out all of section 368 and insert in lieu thereof the following.

Mr. REED. If the amendment is the same as the law of 1922, I suggest there is no need of reading it.

Mr. BARKLEY. I ask unanimous consent that the reading of the amendment may be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered. The amendment is as follows:

On page 98, line 4, strike out all of section 368 and insert in lieu thereof the following:

"Clocks and clock movements, including lever clock movements, and clockwork mechanisms, cased or uncased, whether imported complete or in parts, and any device or mechanism having an essential operating feature intended for measuring time, distance, or fares, or the flowage of water, gas, electricity, or similar uses, or for regulating or controlling the speed of arbors, drums, disks, or similar uses, or for recording, indicating, or performing any operation or function at a predetermined time or times, any of the foregoing, whether wholly or partly complete or knocked down (in which condition they shall be appraised at the valuation of the complete article); cases and casings for clockwork mechanisms imported separately; all the foregoing, 45 per cent ad valorem; and in addition thereto, upon any of the foregoing articles or parts thereof, having jewels, but not more than two jewels, in the escapement, \$1 each; having more than two but not more than four jewels, \$2 each; having more than four jewels, \$4 each; if without jewels in the escapement and valued at not over \$1.10 each, 35 cents each; valued at more than \$1.10 and not more than \$2.25 each, 70 cents each; valued at more than \$2.25 but not more than \$5 each, \$1 each; valued at more than \$5 but not more than \$10 each, \$2 each; valued at more than \$10 each, \$3 each; all parts and materials for use in any of the foregoing if imported separately, and not specially provided for, 50 per cent ad valorem: *Provided*, That all dials, whether attached to movements or not, when imported, shall have indelibly painted, printed, or stamped thereon the name of the country of origin, and the front or back plate of the movement frame of any of the foregoing when imported shall have the name of the maker or purchaser, the name of the country where manufactured, and the number of jewels, if any, indelibly stamped on the most visible part of same; but if such markings are in whole or in part sufficiently similar to the trade name or trade-mark of an established American manufacturer as to be liable to deceive the user in the United States, entry thereof shall be denied if such trade name or trade-mark has been placed on file with the collector of customs."

Mr. REED. Mr. President, I merely rise to pronounce a very brief obituary over the next industry that is to be slaughtered. I want to explain what we have done in the Finance Committee amendment.

Mr. EDGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New Jersey?

Mr. REED. I yield.

Mr. EDGE. Does the Bulova Co. in Rhode Island also assemble parts made by foreign labor and produce the finished clock?

Mr. REED. The parts are made by foreign labor in large quantities, and doubtless the Finance Committee's amendment will be disagreed to and foreign labor will continue to make the clocks.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. REED. I yield.

Mr. BROOKHART. I wish to ask the Senator if that is the same foreign labor that is fixing the price of our farm products by the standard of foreign prices?

Mr. REED. I presume it is.

Mr. BROOKHART. It would help the farmer somewhat if we could help that foreign labor and increase its purchasing power for American agricultural products.

Mr. REED. That seems to be the Senator's philosophy and, in so far as I can see, the country is headed in that direction.

Mr. President, the provision reported by the Senate committee differs from the House bill in this regard: We have tried to make a more logical separation of the electrical machinery and clock-work mechanism, putting into this paragraph all mechanism of purely clocklike character used for measuring time or distance traveled or any other clock-like registering mechanism, and putting into the electrical paragraph electrical motors of all kinds except the very smallest electric motors used

in small and cheap electric clocks. The rates of duty provided in this paragraph on clock mechanism are the same as those in the House bill. The committee made no change in them, and, generally speaking, they represent an increase of from 45 to 50 per cent over the rates of the present law. The need for that is pretty well shown by the fact that in five years, from 1923 to 1927, domestic production increased 24 per cent, while the imports increased 133 per cent on the completed movements, and the importations of parts and materials for clocks have increased about 700 per cent.

Competition is particularly keen in certain types of product. The clocks with which we are all familiar, used on automobile dashboards, for example, are practically entirely made abroad. That industry has almost completely disappeared from the United States. I believe most of those clocks are made in Germany. The domestic production of that type of clock has declined from \$1,157,000 worth in 1924 to about \$170,000 worth in the present year. That is to say, the production to-day is about one-seventh of what it was five years ago.

Mr. BARKLEY. Mr. President, will the Senator yield there?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Kentucky?

Mr. REED. Just a moment.

The consumption in the United States has increased very substantially. The American production has gone down to about one-seventh of what it was, and the clocks are now being made in Germany. The men who were making those clocks in the United States are now doing nothing or have gone into some other industry.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Kentucky?

Mr. REED. I do.

Mr. BARKLEY. I wish to inquire what class of clocks the Senator is speaking about.

Mr. REED. That is the kind of clock that one sees on the dashboard of an automobile, known as an automobile clock. That industry has gone completely Democratic.

The important changes which we have made in the House bill lie principally in the matter of parts. The parts of a clock are usually more substantial than the parts of a watch, and so the same proportion of repair parts is not necessary. Acting on the advice of the Tariff Commission expert, we fixed the limit of repair parts which could come in at the low rate of duty at 1½ per cent of the value of the completed mechanism. Parts in excess of that carry a higher duty, although the House bill made the duty on parts much too high. It taxed any two bits of metal which were firmly joined together, and might be worth only a cent or two, at the same amount as the completed mechanism of which they were a part. Of course, that would result in a duty of many thousand per cent. We have corrected that by putting a small duty on those parts, high enough to prevent a so-called part from being brought in that is really a completed clock.

They developed a trick under the law of 1922 of bringing in as a "part" the whole mechanism of a clock, minus only the escapement feature. Senators will understand what that is. It allows the release on each swing of the ratchet. They bring in a whole clock, minus only that thing which could be added in a very brief time by workmen here, as a part when really it is a completed clock. The Finance Committee provision as it has been written I think will meet that situation, and will prevent that evasion of the duty.

I do not think there is any necessity of explaining the section any further.

Mr. BARKLEY. Mr. President, I merely desire to state that the same situation exists with clocks that existed with reference to watches, except more so. There were nearly 20 per cent of imports compared to domestic production in the value of watches, whereas the importation of clocks represents only about 3 or 4 per cent of the domestic production.

In 1923 there were \$23,457,504 worth of American clocks made. In 1927 there were \$33,913,029 worth, representing an increase of nearly 40 per cent from 1923 to 1927. The imports increased, it is true, from \$505,000 in 1921, which was on the basis of a depreciated European currency, which, in fact, represented probably about \$900,000 in actual value on a normal basis. The imports in 1927 were \$1,075,000, while we exported clocks to the value of \$1,542,397. In other words, we exported from America nearly one-third more clocks in value than we imported, which is to be compared with a total production of \$33,000,000.

Without any further discussion, I ask for a vote on this amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I ask the Senate now to return to page 83. The action just taken by the Senate on the two preceding paragraphs requires that the amendment on page 83, lines 10 to 15, be rejected.

The VICE PRESIDENT. The question is on the amendment on page 83, lines 10 to 15, which will be stated.

The CHIEF CLERK. On page 83, after line 10, it is proposed to insert:

If any of the foregoing contains a clockwork mechanism the value of such mechanism shall not be included in computing the duty under this paragraph, but such mechanism, and parts therefor, shall be separately assessed under paragraph 368.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate concludes its session to-day it recess until 10 o'clock to-morrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. I think that clears up everything until we reach the wood schedule on page 117.

The VICE PRESIDENT. The Secretary will state the first amendment in that schedule.

The CHIEF CLERK. On page 117, Schedule 4, "Wood and manufactures of," after line 18, the committee proposes to strike out lines 19, 20, 21, 22, and 23, and lines 1, 2, 3, 4, 5, and 6, on page 118, and insert, following "logs":

401. Maple (except Japanese maple), birch, and beech: Flooring.

Mr. THOMAS of Oklahoma. Mr. President, I ask for a division of this amendment, and ask that a vote be taken on all found on page 117, including all down to paragraph 401, on page 118, which covers lines 1 to 6, inclusive, on page 118. I ask that the vote occur first on the first amendment, and then later occur on the second amendment.

Mr. SMOOT. I think the clerk reported paragraph 402. That is a different paragraph.

The VICE PRESIDENT. The Chair will hold that they are two separate amendments, so that the vote will come first on the amendment suggested by the Senator from Oklahoma.

The first amendment was, on page 117, after line 18, to strike out:

PAR. 401. (a) Logs of fir, spruce, cedar, or western hemlock, \$1 per thousand feet board measure, except that such logs imported to be used in the manufacture of wood pulp shall be exempt from duty under regulations prescribed by the Secretary of the Treasury.

(b) Cedar, except Spanish cedar: Boards, planks, deals, laths, siding, clapboards, ceiling, flooring, ship timber, and other lumber and timber, 25 per cent ad valorem.

Mr. JONES. Mr. President, I stepped out of the Chamber for just a minute. We were back on page eighty-odd. I wish to ask whether the Senate committee amendment to paragraph 401 has been acted upon.

The VICE PRESIDENT. That is the pending amendment.

Mr. JONES. Mr. President—

The VICE PRESIDENT. The Senator from Washington.

Mr. JONES. I thought the Senator from Oklahoma had the floor.

Mr. THOMAS of Oklahoma. I want the floor, but I yield to the Senator from Washington.

Mr. JONES. I was not expecting this matter to come up so soon.

Mr. President, I desire to say just a few words about this amendment.

The first paragraph, paragraph (a), puts logs of fir, spruce, cedar, or western hemlock practically on the free list. The House has provided for a tariff of \$1 a thousand on logs. Very largely the same argument that was offered with reference to shingles applies to this paragraph, and especially to the next paragraph of this schedule.

Our loggers are confronted largely with this situation: Canadian timber is close to the water's edge. The logs are near, of course, when they are cut and can be put in the water and transported by water to the markets in our State.

It is shown by testimony that the production of logs in British Columbia is, I think, from \$2 up per thousand cheaper than in the State of Washington; and this section is the section that is largely affected by this amendment.

Our loggers, therefore, are placed at a very great disadvantage. The \$1 per thousand provided by the House probably would not cover the difference in cost of production of logs in this country and in Canada. That amendment submitted by the Senate committee ought to be defeated in the interest of American labor and American producers.

Much of the labor in the logging camps in Canada is Chinese labor, while no such labor is employed or can be employed in our logging camps. The Chinese work much cheaper than our people work. We have an exclusion law for our country keeping out the Chinese, and we have what might be termed a gentlemen's agreement that keeps out Japanese labor or coolies. It seems to me a very peculiar attitude for us to take to shut out Chinese labor in the person, but allow the product of that labor to come into our country free of duty.

That is the situation now. That was the situation sought to be remedied by this provision put in by the House. The Senate committee amendment would apparently take the product of the cheap labor of Chinese coolies employed over in Canada and allow it to come into this country in competition with American labor.

Mr. COUZENS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Michigan?

Mr. JONES. I do.

Mr. COUZENS. I was going to ask if the Senator agreed to the language in the House bill—

Except that such logs imported to be used in the manufacture of wood pulp shall be exempt from duty.

Mr. JONES. I will say frankly to the Senator that I can not see the reason or justification for any such exception.

Mr. COUZENS. One of the controlling factors in the committee's action was the fact that certain logs for certain purposes were exempted, and others were dutiable.

Mr. JONES. It seems to me that it would have been the wise thing for the committee to do, then, to strike out that exception instead of striking out the whole paragraph.

Mr. President, I now desire to say just a few words with reference to the second subdivision of this paragraph—cedar, except Spanish cedar, boards, planks, deals, laths, and so forth.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. JONES. I yield.

Mr. FLETCHER. Does not the Senator think those two items ought to be voted on separately? Why vote on the item of logs, on which it is proposed to put a duty of a dollar a thousand, and the item of lumber, on which it is proposed to put a duty of 25 cents a thousand, together? It seems to me we ought to vote on those separately.

Mr. JONES. I think the Senator is correct in that. I think they ought to be voted on separately. They carry different rates, and we might say deal with different articles. I suppose a request will be made for that. But what little I have to say with reference to the second part of the paragraph I can say now.

Cedar lumber and these articles manufactured from cedar are very high-class articles. It is used very largely in expensive house or furniture construction. So it would seem to me that whatever might be added to the price of it by reason of the tariff can very well be borne by its purchasers and by those who use this high-class lumber. It seems to me that it would be a good thing to put this tariff on that article for revenue purposes, if for no other reason.

The same condition, however, exists with reference to labor in regard to this sort of manufacture as applied to the other. The labor cost in the producing of this lumber is lower than it is in this country, and largely by reason of the fact that Chinese or Japanese labor is employed in the manufacture of this lumber, instead of American labor, employed in this country. Also the transportation charges are greater in this country than for the Canadians.

I want to state the special reason again why I say that. Our people, in the transportation of lumber or any other article from one port in the United States to another port, are confined to the coastwise ships, while Canadians, in shipping from any port in Canada to any port in the United States, where their principal market is, can use ships under any flag, either the Canadian or any foreign flag that sails the seas.

I do not know personally, but I am assured by shipping men and business men who I think are very reliable and would not misrepresent in a matter of this kind that oftentimes the Canadians in shipping their products of this kind to our ports or to our cities or to our markets charter ships at very low rates. They can very easily do that, of course, because of the fact that they are permitted to use and employ any ship, flying

any flag. So that that gives them a very decided advantage over our people. It seems to me we ought to take that into account.

The lower cost of logs in British Columbia is unquestionably the cause of the greater difference in cost favoring British Columbia cedar lumber production. At the hearings before the Ways and Means Committee of the House and the Finance Committee of the Senate testimony was presented and not denied showing that the cost of American cedar lumber logs, which are comparable to No. 1 cedar logs in British Columbia, was \$35, as against \$25 to \$27 in British Columbia, a lower log cost per 1,000 feet of \$8. The testimony produced at the tariff hearings was to the effect that such a difference in log cost prices had continued for the past five years, and there was no denial or contradiction of that testimony. Published prices of cedar logs now show such a difference in the log cost, and that difference is a marked and decided advantage in the cost of cedar lumber production, and it is the advantage that British Columbia cedar lumber manufacturers have over the American producers of the same product.

I notice that the tariff bill proposed by the Finance Committee proposes an ad valorem duty on certain hardwood products, and I have been informed that a partial reason for recommending the imposition of such a duty is because a competing nation charges an import duty on hardwood lumber coming from this country.

I make no complaint of the action of the committee in regard to that matter. I have no doubt but that the committee came to the conclusion that that duty was needed. But this is precisely the situation with cedar lumber. Canada and the United States are the only countries that produce cedar lumber. Canada charges a 25 per cent duty on American cedar lumber that is shipped to Canadian markets, but at present we grant free and unrestricted entry of Canadian lumber products to all of the markets of the United States.

Why should we do that? Why not treat the cedar lumber in the State of Washington as we treat the hardwood lumber of other sections of the country that have been on the free list, I think, substantially the same time that our products have been on the free list?

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. COPELAND. Does the Canadian Government charge an export duty on logs?

Mr. JONES. They do.

Mr. COPELAND. How much is it?

Mr. JONES. I think it is a dollar a thousand.

A study of the result of free cedar lumber may be of some interest. In 1913, when the Underwood tariff became effective, cedar lumber production in British Columbia was of small consequence. It amounted to only a few thousand feet per year. To-day the productive capacity of the industry in British Columbia totals approximately 150,000,000 feet yearly, a tremendous amount of which is annually shipped to and sold in the markets of the United States, and the cedar lumber production is now of sufficient importance in British Columbia so that foreign manufacturers now dominate the American market for cedar lumber and dictate the prices which are charged in American markets for that product. Those prices are generally below the actual cost of production in American mills, that are compelled to pay higher wages, employ American workmen, and pay higher prices for the logs produced by American workmen.

The Census Bureau reports that the cedar-lumber production in the United States totaled 305,964,000 feet in 1927 and 266,877,000 feet in 1928, a reduction of nearly 13 per cent. This reduction in the production of cedar lumber has not been due to inability of American cedar mills to produce the lumber, but to the fact that foreign competition has forced the closing of American mills for approximately one-third of the usual yearly working period. That of necessity reduced the earnings of American cedar-mill employees; it decreased American business because of reduced labor earnings, and it generally served to detract from American progress and prosperity.

We are all agreed, I think without exception, that American workmen are entitled to equal right in the production of American products for American markets. We can not give them that equal right if we force them to compete with the orientals and low-priced foreign workmen, nor can the American cedar-lumber manufacturers operate in competition with foreign cedar mills that purchase logs produced by orientals and foreign low-priced workmen when the differences in the cost of logs averages from \$8 to \$10 per thousand feet.

We have pledged ourselves, Republicans and Democrats alike, to protect American labor, and whether we be interested in the American cedar-lumber industry or not, to protect the labor of that industry and give it its just due we have but one course we

may pursue, and that is to provide tariffs which will give to American labor the protection promised in the platforms of both of the great political parties to equalize production costs at home and abroad.

The only competing nation in the production of cedar lumber charges a 25 per cent ad valorem duty on American lumber that is shipped to that competing country, and Congress, to be fair with the labor of the American cedar-lumber industry, and with the industry, should grant American labor and the American cedar-lumber industry the same protection that is afforded the competing nation in its own home market, and by so doing the American workman of the cedar-lumber industry will be able to produce on an equal basis with foreign competition, and be given an equal opportunity to produce American cedar lumber for American markets.

Mr. President, it may be true that our section, composed of possibly the State of Washington and the State of Oregon, is the only section of the country that may be especially interested in these two propositions. But that would not justify anyone, it seems to me, in wanting to shut us out of the protection which the conditions in that section warrant, justify, and really demand.

There are very few articles produced in this country that are produced all over the country. If we applied the principle of protection only to those articles of production or growth that are found all over the country, there would be very few articles covered by the tariff. It seems to be the theory of a protective tariff that those lines of industry which need protection in order to insure prosperity, and in order to insure employment of labor at good wages, even though confined to a small or particular section of the country, should have that protection. That principle, apparently, is not thought to apply to the Pacific coast, or to our section of the Pacific coast, at any rate. This covers one of the main industries of our section, and it seems to me that the House provision is very reasonable. I know that it is very greatly needed, especially in behalf of the employment of American labor. I am not worrying very much about the capital, I am not worrying very much about the owner of this timber or the mills, but what I would like to see, what I hope to see, is that encouragement that will give permanent employment to our labor at good wages.

Our mills have been following for several years this policy, and it is very greatly to their credit. They have not reduced wages. They have been forced to run their mills, however, only on part time, 3, 4, and 5 days out of the week.

Probably many of them, if not all of them, would have been better off financially if they had closed their mills down permanently, but I think these men were moved very largely by their interest in labor and their desire to furnish as much stable employment to labor as they possibly could. So they have run their mills largely without profit, but with the purpose, almost the sole purpose, of employing labor at reasonably good wages.

I hope the amendments to these two paragraphs of the schedule will be voted down.

Mr. THOMAS of Oklahoma. Mr. President, I desire to make but a few statements in this connection. The existing law authorizes the levying of a tariff upon logs imported. The tariff is at the rate of \$1 per 1,000 board feet in logs. The bill which came to the Senate from the House carried the rate granted in the existing law. The Senate Finance Committee, after rather extensive hearings, came to the unanimous conclusion that logs should be admitted free. Hence the bill as reported by the Finance Committee to the Senate places logs on the free list. That amendment is concurred in by the minority members of the Finance Committee.

Mr. President, the only argument that I heard in the committee which appealed to me as a reason why logs should be protected was the fact that the American forests are being depleted. For example, a study of the map now on the wall would disclose the fact that the American forests have been cut down along the water's edge. That means that such timber as is now left in the Northwest is very largely away from the water, and in order to get the timber down to the water for transportation purposes roads have to be built to transport the logs to the water where they may be loaded and shipped. In Canada the timber has not been cut in that way, and much of the Canadian timber is exactly on the water's edge. The timber can be cut and rolled into rafts or onto ships or placed in such shape that it may be transported very quickly and very cheaply to the mill. That was the only argument produced before the committee in favor of a tariff on logs.

The evidence produced before the committee disclosed that the mills of the Northwest add the tariff to the price of their lumber, and by the time the lumber reaches the consumer down in my section of the country and in the southwestern portions, largely where the lumber goes, the tariff has been pyramided,

and instead of the tariff being added at \$1 per 1,000 board feet, oftentimes it is several times that amount which is added. It was the opinion of the minority members of the Finance Committee that this duty, although in the sum of but \$1 per 1,000 board feet, would be in the main for the special benefit of the owners of the timber that now remains in the Northwest. That being true, and it being further admitted that it would raise the price of lumber at least more than \$1 per 1,000 feet, the minority members concurred in the recommendation made by the Finance Committee that logs should remain upon the free list.

Mr. DILL. Mr. President, in light of the vote had on the shingle provision, I realize that, it is very probable that the Senate will vote the same way on the tariff on cedar lumber. But I want to call attention to the fact that if it is the hope of the American Congress that we shall reforest our western timberlands, the authorities who are in a position to know should be listened to on this subject.

Every forester in the country and the foresters of other countries tell us that the only way we will get our lands reforested is by a tariff that will make timber valuable enough to pay for reforestation of timberlands. I know that it is a popular belief that if we let foreign lumber come in free we thereby save our own timber. Of course, even if that principle be true, it does not apply to cedar lumber, because cedar lumber trees in the Northwest are scattered among the other lumber trees. The other lumber trees are being cut and will continue to be cut, and unless there is some manner by which the cedar can be made to pay a profit, then there is nothing to be done with it except to let it go to waste as slashings.

I have never been an ardent advocate of a protective tariff system, but I have always been an ardent advocate and I hope I always shall be an ardent advocate of the theory of equality of treatment under the law. I submit on the record of facts as they exist in connection with the cedar-lumber industry and the cedar-shingle industry that there is not a tariff rate in the bill which can be justified as fully as the tariffs proposed on those products.

I said something about the value of a tariff for conservation. It is a striking fact that in Japan, where they tried to reforest without tariff protection, they absolutely failed because the lands were more valuable for other purposes and so they could not afford to grow timber. When they put a substantial tariff upon practically all lumber, reforestation began to succeed. I invite attention to the fact that Gifford Pinchot, who was really the originator of the conservation policy of this country, stated some years ago that the only hope for real reforestation is in a tariff-protection policy for lumber. I invite attention to the statement of C. A. Schenck, an international forester, who said the only way we can get the owners of land to reforest is to make it worth their while by placing a protective tariff on their product. I invite attention to the statement of Colonel Greeley, of the Forest Department, who said the only hope of getting reforestation in any considerable amount outside of the Government-owned, cut-over lands is to be found in protecting the product of our timberlands.

I am amazed at Senators who stand here and oppose a tariff on shingles and on cedar lumber because the results will go to the owner or the operator. I would like to know of any tariff in the bill that does not go to those engaged in running the industry. That is the purpose of a tariff. It is argued here that because the tariff may help some of the timber owners who are engaged in manufacturing, therefore they must not have it. Does not the tariff on manufactured woolen goods help the owner of the woolen mill? Does not the tariff on manufactured steel products help the owner of the steel mill? Can anyone name a single manufacturing tariff the results and benefits of which do not go to the manufacturer?

The truth of the matter is that the whole fight has been precipitated here and carried forward on the assumed principle that it will help the farmer to prevent these tariffs. I think I know something about what the farmers need in this country in the way of politics. There are not enough of them to get anywhere in the American Congress. I speak particularly to those representatives who shout so much about the farmers in connection with the proposed tariff on cedar lumber and cedar shingles. They have not the votes and they never will have the votes to give farmers equal treatment. They are getting smaller and smaller in numbers in the United States. The only hope the farmers of the country have to get justice is to combine with those who would help the laboring men of the country. Yet when there is an opportunity to have even a revenue tariff that would be of some benefit to the laboring men of the country, we find the representatives of farmers leading the fight here to keep any such tariff from coming into existence.

So far as I am concerned I shall not be diverted from my course and my purpose of doing justice to the farmer in con-

nection with the rates in this bill, but I say to Senators who want to help the farmers in the way of legislation that they have not enough votes to-day and they will never have enough votes to array successfully against the manufacturing interests of the country single-handed and alone. When they refuse even to give a recognition in the form of a tariff to the laboring men who are suffering to-day in the shingle and lumber industry, as they are suffering in few other industries, then they drive from them the very help and support they must have if they will ever have enough votes to get the justice to which they are entitled in the Congress.

I do not want to take an undue amount of the time of the Senate. I recognize what the vote is to be here. But I do not hesitate to raise my voice in protest in the interest of the common citizens of the country, whether on the farms or in the mills. The very Senators who to-day voted to strike down the tariff on shingles have their votes recorded as permitting tariff rates to continue in the bill—in fact, they voted for some of them—for manufacturing establishments which grind down the laborers that work for them at rates of wages which put them in the condition of foreigners in other parts of the world. But because of a bugaboo—and that is all it is—that this might cost the farmers a little bit more a great case is built up, and we are told, "You must not touch anything that may affect the expenses of farmers, even though it be only once in 25 or 50 years."

Senators do not hesitate to put a tariff on everything the farmer buys in the way of clothing. They do not hesitate to put a tariff on practically everything he uses on the farm. But when we ask for some kind of recognition that will give our working people a decent chance to live in another part of the country, then we find Senators who ought to be the first to come to the assistance of those who are in need getting up here and manipulating statistics or trying to prove that those statistics of losses mean something which any sane man knows they do not mean, and thereby trying to justify a vote against the laboring men of the northwestern part of the country.

I do not make any plea for the northwest section of the country as against any other section; but having lived in that part of the country for more than 20 years, and being a representative of the people in that section of the country, and having traveled in every community of the State in which I live, I think I know something about conditions there. I think my record in the Senate is such and I think my votes on the pending bill have been such as to indicate that I have been consistently voting in the interest of those who toll, whether on the farm or in the mill.

We have here the case of cedar lumber. What is cedar lumber used for? It is used as beveling timber and as siding in the building of houses. To put a tariff on it will increase that cost a little. When a tariff is put on anything else it increases the cost a little bit. Some of it will go to the timber owner, some to the lumber manufacturer, and some to the laboring man, just as any other tariff goes to the owner and manufacturer and laborer, and yet that is given against this tariff on cedar lumber as the reason why we should not even have recognition.

I remind Senators that they have been voting against increases in tariff rates on other subjects that have come up here, but here is a product which is on the free list and we are asking to get it under the protective wing. I repeat that no protectionist can defend a protective tariff system that leaves out of that system the industries and the men who are finding themselves ruined by foreign competition in products produced by cheap labor in a foreign land, and in this case the land that has only an imaginary separation from our own country.

Mr. President, I hope that if not here and now, then in a saner way when the bill goes to conference, there may be more consideration given to the northwestern section of the United States which is still a part of this country and its people and its industries entitled to equal treatment along with the farmers of the Middle West and along with the New England and eastern industries.

Mr. FLETCHER. Mr. President, I have received a great many letters and telegrams in favor of the amendment of the Senator from Washington [Mr. JONES] and protesting against the committee amendment in respect of this item. I scarcely think that lumber ought to be on the free list, and yet I am a little inclined to believe that a rate of 25 per cent ad valorem is a little high.

Mr. JONES. Mr. President, may I suggest to the Senator that the particular item which we are now considering does not apply to the general lumber proposition? I have offered no amendment to this item. I am simply opposing the committee amendment. When the committee amendment is disposed of there will be an amendment offered dealing with lumber generally. I think that is what the Senator perhaps has in mind.

Mr. FLETCHER. I supposed that we were considering the whole matter in the present debate.

Mr. JONES. No; this is a tariff on logs in the first paragraph, while the other is a tariff on lumber. The next paragraph of the schedule is cedar lumber and not lumber generally. That will come up in another amendment.

Mr. FLETCHER. Has it been agreed that we are to vote on the first paragraph of the schedule first?

Mr. JONES. If nobody else does so, I shall ask for a separate vote on these paragraphs.

Mr. FLETCHER. On the general subject of lumber I will simply say that a good many lumber manufacturers, possibly all of them—every lumber association that I know anything about—insist that there is a great development in Russia and that there is great danger that the Russian soft lumber will come into our market, always, of course, at a low freight rate by reason of water transportation and that that competition will develop to a much larger extent in the future. I do not know what the undertaking in Russia is, but it is reported that there are large enterprises there now being developed; that there will be a tremendous production of lumber in Russia; and that it must find its market over here; in fact, one correspondent tells me that Russian lumber is now going into the building being erected in place of the old Waldorf-Astoria Hotel in New York. That is worthy of consideration.

I took up the subject with the Commerce Department and inquired about the Russian lumber situation, and in a communication of November 6 they say:

In regard to the price at which Russian softwood is being sold in the United States the principal importer of this stock has this week advised us for information of inquirers that the average price obtained for Russian spruce, mill-run sizes, in territory contiguous to ports, is over \$40 per thousand—

That means American ports, I think—

The same importer also advises that the expected total 1929 import of Russian softwood into the United States is fifty to fifty-four million feet.

The letter continues further:

The f. o. b. Archangel value of one cargo received in the United States in September was \$68,480 for 3,390,000 feet, or \$20.20 per thousand. This, of course, does not include freight, insurance, etc.

Subsequently, on November 11, the department was able to furnish a further statement about the trade, and it shows that the freight from Soroka and Archangel to Providence, R. I., is \$20.75 per standard. They classify it on that basis, a standard being 1,980 feet board measure. The freight from Leningrad to Boston is \$14.50 per standard. From these figures Senators may get an idea what the lumber from Russia would cost delivered along the Atlantic seaboard. I ask to have these letters inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters referred to are as follows:

DEPARTMENT OF COMMERCE,  
Washington, November 6, 1929.

HON. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: In response to a telephone call on Monday from Mr. Hill, of your office, I am glad to supply information on the Russian lumber situation.

As to the character of softwoods produced in Russia, they are the same species as produced in Sweden, Finland, and neighboring countries. We have issued no bulletin on the Russian lumber industry, but there is inclosed our bulletin on Finland (Special Agents Series No. 207), which describes these woods. As we have only file copies of this bulletin, I will appreciate your returning it at your convenience.

Also on pages 93 to 99 of our publication *The British Lumber Market* there is a discussion of Russian lumber. A copy of this bulletin is inclosed for your file.

In regard to the amount of shipping that might be available to carry large quantities of Russian lumber to the United States there is plenty available in international markets.

In regard to freight rates on lumber shipments from Archangel to Atlantic coast, I regret that we have no data. The harbor of Archangel and other White Sea ports is open usually only from the middle of May to the middle of November. However, the Russians have been shipping some lumber through Murmouk (ice-free port) this year, and have proposed to do a considerable amount of shipping through it this winter.

In regard to the price at which Russian softwood is being sold in the United States, the principal importer of this stock has this week advised us for information of inquirers that the average price obtained for Russian spruce, mill-run sizes, in territory contiguous to ports, is

over \$40 per thousand. The same importer also advises that the expected total 1929 import of Russian softwood into the United States is fifty to fifty-four million feet.

The f. o. b. Archangel value of one cargo, received in the United States in September, was \$68,480 for 3,300,000, or \$20.20 per thousand. This, of course, does not include freight, insurance, etc.

In connection with imports of Russian lumber, I inclose statement showing 1928 lumber imports from all countries and you will note 23,884,000 from Russia and 25,023,000 from other European countries, as well as 1,311,975 from Canada.

As requested by Mr. Hill, I inclose copies of our October 2 and October 18 statements on Russian lumber and advise that no later information has been received.

Yours very truly,

J. C. NELLIS,  
Chief Lumber Division.

DEPARTMENT OF COMMERCE,  
Washington, November 11, 1929.

HON. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your letter of November 6, together with the copy of Special Agents Series No. 207, which you returned under separate cover.

In writing you on November 6, I was obliged to advise that we had been unable to locate information on ocean rates on lumber from Russia to the United States. Later, after a search through various issues of *Fairplay*, a shipping journal published in London, we have located the following charters:

"July 11, 1929, 1,500 standards, Soroka and Archangel to Providence, \$20.75 per standard.

"July 4, 1929, 700 standards, Linograd to Boston, 585 shillings per standard."

A standard of lumber is equivalent to 1,980 board feet, and the 58 shillings is about \$14.50.

Very truly yours,

J. C. NELLIS,  
Chief Lumber Division.

Mr. FLETCHER. Mr. President, if I have more to say on the subject of lumber, I can do so when we reach that particular head.

Mr. WALSH of Massachusetts. Mr. President, there are a few facts appearing in the record of the hearings which I think should be presented to the Senate before the vote on logs of fir, spruce, and cedar and cedar lumber is taken. One is that logs and lumber herein named are selling to-day at a higher price than ever before in the history of the industry.

Another fact is that a large number of lumber operators in Washington and Oregon, States where we would expect to find a unanimity of sentiment for a tariff duty upon logs, favor the position which the Finance Committee has taken, namely, of placing logs upon the free list, and their reasons, briefly stated, are as follows:

The forests are becoming depleted in areas most accessible and it is therefore cheaper to buy Canadian logs than to go into the distant forests and make the long rail haul that has become necessary. Further, they state—and I am now referring to the evidence presented by the lumbermen from Oregon and Washington—that many of the American lumber mills own tracts of timber in Canada; that timber prices have steadily increased from 10 to 25 per cent since April, 1928; and that the imported logs are therefore not forcing the domestic loggers out of business. Thus it appears that, notwithstanding the importations, the price has steadily increased by the very high percentage of from 10 to 25 per cent during the past year.

I think we ought to bear in mind what a rate of 25 per cent ad valorem means to the average consumer in America. It means that for the amount of money with which he can now buy 1,000 feet of lumber he will in the future, if this duty shall be levied, be able to buy only 750 feet of lumber; in other words, the quantity of lumber which he could buy for a given sum of money is to be reduced one-fourth by the levying of this tariff duty, which will be largely beneficial, if at all, to a limited group of those who own large tracts of timber in two of the Western States.

The figures are very much more striking when we consider the effect of a 25 per cent duty upon cedar lumber. Such a duty will mean an average price advance in cedar lumber of from \$8 to \$20 per 1,000 feet, which will be considerably augmented by the time it reaches the consumer. In view of the fact that the cedar-lumber industry occupies already an advantageous position and that the price it receives for its product is very high in contrast with other commercial softwoods of the United States, and in view of the fact that on higher-priced commodities in this form a 25 per cent ad valorem duty is

equivalent to a complete exclusion of the foreign sources of supply, it seems obvious that it is most unfair to the consumer to place any duty upon this product.

Furthermore, to protect an industry at present very prosperous and which already obtains such a high price for its product appears to be wholly unwarranted and would merely swell unduly the profits of the cedar-lumber manufacturer and eventually place a fictitious price upon the remaining rapidly diminishing cedar stumpage which is held by a comparative few.

It is also interesting to note in this connection that during the last year, in fact, since the question of a tariff came up for consideration, the prices of cedar products have advanced very materially. The estimated increase in the cost of building a house of five or six rooms, if this duty shall become effective, is said to be about \$60. A protective duty on logs and lumber is merely the imposition of penalties in increased prices upon the people's shelter and increasing greatly the cost of protecting their families and livestock against the weather elements.

It seems to me that the underlying principles which were presented in the discussion of the proposed duty on shingles apply here, and apply with double force, because a very large number of American lumber dealers, even in the two States mentioned, have gone and actually do go to Canada now to buy their raw product, namely, logs, mentioned in these two paragraphs. The price the consumer would have to pay is excessive and unreasonable; and the importance and pressing need of a duty to relieve a distressed industry does not appear in this case. No one claims that the lumber industry is in distress. There was such claim made about the shingle industry, but we know, from the evidence before us, that, to the contrary, the lumber industry is becoming more and more prosperous; that the limited supply of logs has led to a steady increase of prices. In my judgment, there is not any case here whatever for a protective duty.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. At the top of page 118 it is proposed to strike out:

(b) Cedar, except Spanish cedar: Boards, planks, deals, laths, siding, clapboards, ceiling, flooring, ship timber, and other lumber and timber, 25 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, I wish to suggest to whomsoever is delegated to be in charge of the bill that we now take a recess. The next paragraph is somewhat controversial, and a number of Senators have left for the evening.

Mr. COUZENS. To what paragraph does the Senator from Massachusetts refer as being controversial?

Mr. WALSH of Massachusetts. I beg the Senator's pardon; we have not yet voted upon subparagraph (b).

Mr. COUZENS. We have not disposed of that, and a separate vote has been desired on it.

Mr. WALSH of Massachusetts. After we dispose of that amendment I shall renew my request for a recess.

The PRESIDING OFFICER. The question is on the amendment at the top of page 118, striking out subparagraph (b).

The amendment was agreed to.

Mr. WALSH of Massachusetts. Mr. President, I will ask the Senator from Michigan, who is now in charge of the schedule and who bears most gracefully the mantle of the senior Senator from Utah, to be generous enough to let us have a recess until to-morrow morning.

Mr. HEFLIN. Mr. President, before that shall be done I ask unanimous consent to have printed in the RECORD a letter which I have received from the Anniston, Ala., branch of the United Textile Workers of America.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

To the Alabama Senators and Representatives.

GENTLEMEN: Local 997, United Textile Workers of America, believes that the textile workers of this country should have protection against the cheap labor of foreign countries. Feeling that way about it, this body urges that you use your influence to get listed on the Hawley-Smoot tariff bill articles as follows:

Upholstery and drapery, fine cotton goods, and fine cotton yarns, processed wool, also higher duty on cotton woven labels, with markings on these labels which would show the country of origin after said label was placed in garment.

These goods are now getting in at a price that seriously competes with the American product. It reduces the output of the American mill. It cuts down the quantity of American work and trims the price of American labor. The workman of the foreign country can live cheaper than we can. American expenses are high. If we are forced to the wage level of foreign labor, we can not be home owners; we can not educate our children; we can not develop into citizens we would like to be.

We appeal to you to help us.

[SEAL.]

LOCAL NO. 997, UNITED TEXTILE  
WORKERS OF AMERICA,  
By H. K. SMITH, *President*.  
J. F. MULICON, *Secretary-Treasurer*.

Mr. COUZENS. I ask that the next amendment be stated. The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. On page 118, in line 4, it is proposed to strike out "402. Maple (except Japanese maple) and birch: Boards, planks, deals, laths, ceiling, flooring, and other lumber and timber (except logs)" and insert "401. Maple (except Japanese maple), birch, and beech: Flooring," so as to read:

PAR. 401. Maple (except Japanese maple), birch, and beech: Flooring, 15 per cent ad valorem.

Mr. COUZENS. I wanted to have the amendment stated.

Mr. WALSH of Massachusetts. The idea is to have the amendment pending?

Mr. COUZENS. Yes; but our leader, the Senator from Washington [Mr. JONES], suggested that we proceed with the committee amendments; and I want to say I am entirely agreeable to that, although apparently the Senator from Massachusetts has a different view. I think we might go on with the committee amendments. I see no reason why we should not do so.

Mr. WALSH of Massachusetts. I will say that I think much time will be saved if we do not proceed further at this time, because some of the Senators on this side want to have a conference regarding several of the paragraphs in this schedule, and we want to meet between now and dinner time. It would be helpful if the Senator would now agree to take a recess.

Mr. COUZENS. If that is agreeable to the Senator from Washington, it is agreeable to me.

Mr. JONES. I have no objection.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate sundry executive messages from the President of the United States, which were referred to the appropriate committees.

#### RECESS

Mr. COUZENS. I move that the Senate take a recess until 10 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 5 o'clock and 30 minutes p. m.), under the order previously entered, took a recess until to-morrow, Thursday, November 14, 1929, at 10 o'clock a. m.

#### NOMINATIONS

*Executive nominations received by the Senate November 13 (legislative day of October 30), 1929*

##### UNITED STATES ATTORNEY

Julius Harold Hart, of Alaska, to be United States attorney, district of Alaska, Division No. 2, vice William Frederick Harrison, resigned.

##### COAST GUARD

Ensign John J. Purcell to be a lieutenant (junior grade) in the Coast Guard of the United States, to rank as such from March 8, 1929.

##### POSTMASTERS

###### ARIZONA

Aurelio B. Sanchez to be postmaster at Sonora, Ariz., in place of S. W. Simpson, resigned.

###### CALIFORNIA

Harold V. Tallon to be postmaster at Jackson, Calif., in place of C. G. Heiser, resigned.

Verbenia M. Hall to be postmaster at Quincy, Calif., in place of O. L. Dunn, resigned.

###### CONNECTICUT

Charles E. Gray to be postmaster at North Stonington, Conn. Office became presidential July 1, 1929.

###### FLORIDA

Jesse D. Louis to be postmaster at Davenport, Fla., in place of E. T. Hitchcock. Incumbent's commission expired January 8, 1928.

Allan Van Wormer to be postmaster at Inverness, Fla., in place of M. E. Pridgen, removed.

James E. Parrish to be postmaster at South Miami, Fla., in place of J. E. Parrish. Incumbent's commission expired February 28, 1929.

###### ILLINOIS

Gordon McClusky to be postmaster at Rosiclare, Ill., in place of W. E. Dimick, removed.

###### INDIANA

James C. Taylor to be postmaster at Mooreland, Ind. Office became presidential July 1, 1929.

###### IOWA

Maude M. Peters to be postmaster at Alexander, Iowa. Office became presidential July 1, 1929.

William F. Kucera to be postmaster at Elberon, Iowa, in place of Emil Kaloupek. Incumbent's commission expired December 9, 1928.

George D. Sailor to be postmaster at Lisbon, Iowa, in place of A. F. Bittle, removed.

###### KENTUCKY

Paris Early to be postmaster at Bagdad, Ky., in place of L. F. Williams. Incumbent's commission expired January 30, 1929.

###### LOUISIANA

Robert L. Mouton to be postmaster at Lafayette, La., in place of J. R. Domengeaux, removed.

###### MAINE

Joseph Otto Fisher to be postmaster at Lewiston, Me., in place of W. C. Bryant, removed.

###### MISSISSIPPI

Quinn E. Mattox to be postmaster at Fulton, Miss., in place of W. B. Stone. Incumbent's commission expired February 16, 1929.

###### MONTANA

Helen P. Gibb to be postmaster at Belton, Mont. Office became presidential July 1, 1929.

John M. Evans, jr., to be postmaster at Butte, Mont., in place of Richard Brimacombe. Incumbent's commission expired December 19, 1928.

###### NEW MEXICO

John P. Milner to be postmaster at Anthony, N. Mex. Office became presidential July 1, 1929.

###### NEW YORK

Fred C. Conrad to be postmaster at Saranac Lake, N. Y., in place of J. A. Latour, resigned.

###### UTAH

George A. Murphy to be postmaster at Spring Canyon, Utah. Office became presidential July 1, 1929.

###### VERMONT

Burton N. Sisco to be postmaster at Brandon, Vt., in place of H. D. Rolfe, resigned.

###### WEST VIRGINIA

Mary L. Lilly to be postmaster at East Beckley, W. Va. Office became presidential July 1, 1929.

## SENATE

THURSDAY, November 14, 1929

(Legislative day of Wednesday, October 30, 1929)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Dill	Hebert	Overman
Barkley	Edge	Heflin	Patterson
Bingham	Fess	Howell	Phipps
Black	Fletcher	Johnson	Ransdell
Blease	Frazier	Jones	Reed
Borah	George	Kean	Sackett
Bratton	Gillett	Kendrick	Schall
Brock	Glenn	Keyes	Sheppard
Brookhart	Goff	La Follette	Shortridge
Broussard	Greene	McKellar	Simmons
Capper	Hale	McMaster	Smith
Connally	Harris	McNary	Smoot
Copeland	Harrison	Moses	Steck
Couzens	Hastings	Norbeck	Steiwer
Cutting	Hatfield	Norris	Stephens
Dale	Hawes	Nye	Swanson
Deneen	Hayden	Oddie	Thomas, Idaho